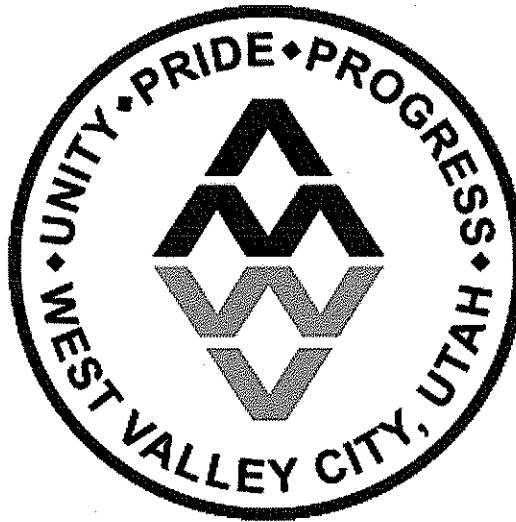


# WEST VALLEY CITY

STATE OF UTAH



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT YEAR  
ENDED JUNE 30, 2009



**WEST VALLEY CITY**

**STATE OF UTAH**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2009**

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**WEST VALLEY CITY, UTAH**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2009**

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## WEST VALLEY CITY

Unity : Pride : Progress

December 30, 2009

Honorable Mayor and Members of the City Council  
West Valley City, Utah

Mayor and City Council:

The Comprehensive Annual Financial Report (CAFR) of West Valley City, Utah (the City), for the fiscal year ended June 30, 2009 is herewith submitted. This report has been prepared by the City's Finance Department. The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with City management. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report has been prepared to strictly follow the guidelines recommended by the Government Finance Officers Association (GFOA). Those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting including generally accepted accounting principles promulgated by the Government Accounting Standards Board, may be awarded a Certificate of Achievement for Excellence in Financial Reporting. This report will be submitted to the GFOA for consideration of this award.

This year's report complies with the financial reporting model required by the Governmental Accounting Standards Board (GASB) Statement 34. In addition to the fund financial information currently presented in the City's financial statements, this report includes government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net assets of the City, including all capital assets (including infrastructure) and a Statement of Activities that shows the cost of providing government services.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The City is required to undergo a single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including

Local Governments, and Non-Profit Organizations.” Information related to this single audit, including the schedule of expenditures of federal awards and independent auditors’ report on compliance and on internal control over financial reporting, is included in a separate report issued to the City dated December 29, 2009.

## **THE REPORTING ENTITY AND ITS SERVICES**

This report includes all of the funds of the City. A full range of municipal services excluding water, sewer, and electricity are provided by this municipality. Revenues within the general fund are utilized by the City to provide public safety including fire, police, and ordinance enforcement. Other services provided are ambulance service, streets, storm water drainage, golf courses, E Center, Hale Centre Theatre, Family Fitness Center, Utah Cultural Celebration Center, sanitation, parks, planning & zoning, a seniors activity center, general legislative, and administrative services.

The City operates a number of special revenue funds, including a Building Authority, Redevelopment Agency, E Center Fund, Hale Centre Theatre Fund, Fitness Center Fund, Sanitation Fund, Storm Water Drainage Fund, Utah Cultural Celebration Center, Grants Fund, and Impact Fee Funds for Roads, Parks, Fire, Police, and Flood Control. The Building Authority is used to accumulate resources to service lease revenue bonds issued to finance the construction of several major facilities, including the West Valley Event Center, Hale Centre Theatre at Harman Hall, and the Fitness Center. The Redevelopment Agency assists businesses seeking to locate within the City, and identifies and renovates blighted areas of the City. The E Center Fund shows the results of operations of the West Valley Event Center (E Center). The Hale Centre Theatre Fund shows the results of the City’s operations of the Hale Centre Theatre at Harman Hall. The Fitness Center Fund shows the results of operations of the West Valley Fitness Center. The Sanitation Fund was created to match waste collection revenues and expenditures. The Storm Water Drainage Fund accounts for revenues and expenditures related to the City’s storm water drainage services. The Utah Cultural Celebration Center (Cultural Center) was constructed to provide a facility for ethnic and cultural groups to meet, perform, and display the diversity of cultures which make up the City. The Grants Fund was created to match and segregate grant-related revenues and expenditures which were previously included in the General Fund. The Road, Park, Fire, Police, and Flood Control Impact Fee Funds utilize impact fees charged on new construction in the City to provide capital improvements and infrastructure required by new growth.

The City operates four enterprise funds. West Ridge Golf Course provides a buffer zone for the Alliant Tech System Inc. (formerly Hercules Inc.) facility as well as a recreation area for the community. Stonebridge Golf Course provides a high-quality recreation facility, as well as providing green space within the City’s business and industrial areas. The City’s Housing Authority assists in providing low-cost housing to low-income residents. The Ambulance Fund reports operations of The City’s ambulance service, providing emergency response services to City residents.

West Valley City owns the E Center, an events center and hockey arena, which is operated by Centennial Management. It currently is the home of the Utah Grizzlies, and was the venue of the 2002 Winter Olympics for men’s hockey. It is also used for concerts, basketball tournaments, and other public events.

Taxing entities within the boundaries of West Valley City including Salt Lake County, Granite School District, Granger Hunter Improvement District, Magna Water Company, Magna Mosquito Abatement District, Taylorsville Bennion Improvement District, Kearns Improvement District, Central Utah Water Conservation District, Salt Lake County Mosquito Abatement District, and Salt Lake County Water Conservancy District do not meet the criteria to be included in the reporting entity, and are therefore excluded from this CAFR.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

In developing and evaluating the City's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. We believe the City's internal accounting controls adequately safeguard the assets and provide reasonable assurance of proper recording of financial transactions.

The City's accounting records for general government operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's enterprise funds are on an accrual basis.

By State law, the City Manager of West Valley City is required to submit a proposed budget to the City Council by the first regularly scheduled meeting of the City Council in May. The City Council then reviews with the City Manager, through the budget hearing process, all budget requests. The City Council then adopts a tentative budget, which is then placed before the public to review. Comments are received, requests and recommendations are considered, then after due consideration, the City Council ultimately adopts a budget before June 22 if no tax increase is considered. If a tax increase is proposed, an additional advertising and public hearing process is required with an ultimate budget adoption date before August 17.

The City's budget is an annual budget with monthly budget allotments recommended by the Department Heads. The Finance Department places the budget allotments, as approved by the City Manager, on the financial system, including funds available for spending in each appropriate month. The City has been on a monthly budget allotment system for more than twenty years and found it to be beneficial for planning cash flow and controlling spending.

## **GENERAL GOVERNMENT FUNCTIONS**

The schedule on the following page presents summaries of all revenues and expenditures for the General Fund for the fiscal years ended June 30, 2009 and 2008, and the percentage of increases and decreases compared to the prior year. Total revenues in 2009 increased by \$684,978, a 1.01% increase from 2008; expenditures increased \$1,050,741, up 1.78% from 2008. The City received two large one-time revenue infusions – land sales increased by \$1,557,086, mainly from the sale of Granger Park to UDOT and Granite School District, and the City received a one-time intergovernmental capital project funding donation from the State of Utah of \$2,000,000. The funds received from these one-time events were earmarked for specific projects to be undertaken in subsequent years, and were not available to fund general City operations. Operating revenues decreased, led by a drop in sales and use taxes, continuing the trend which began the latter part

of the previous fiscal year. General property taxes increased due to previously planned developments being completed. Utility (franchise) taxes rose slightly reflecting the growth in the City's population and number of businesses and residences using the utilities. Licenses and permits had the largest increase in operating revenues as a result of increased business license collections, along with several large commercial and residential projects obtaining building permits and commencing construction. Fines and forfeitures recovered somewhat from the previous year's decrease, but were still below two-year prior levels; increased forfeited asset funds were received and used to fund police operations. Charges for services showed a significant percentage increase, and a moderate increase in actual revenue; most significantly from charges for engineering services for UDOT. Interest on investments decreased by more than 40%, reflecting the large drop in investment rates resulting from the national economic slowdown and credit crisis, and a reduced cash balance available for investment. Special Improvement Districts revenue decreased as the bond financing a large district matured, no longer requiring billings.

Administrative expenditures increased in several areas of operation: Justice Court costs increased in conjunction with their increased volume and revenue; Information Technology expenditures rose as a result of upgrading and expanding City computer/network systems; and Central Services Division had significantly increased expenditures to upgrade the City's communications infrastructure and emergency services' communications technology. The Legal Department's expenditures increased as it took on more collection activities related to the City's increased direct service billings; Risk-related payouts and expenditures also increased during the year. Police Department expenditures rose as part of the City's long-term plan to improve public safety, and as a result of demand created by an increasing population and business base. Community Development increased expenditures from the previous year to fund expanding operations of the new Community Preservation Department. Non-departmental expenditures decreased as projects were deferred or modified in response to budget constraints and decreasing revenues. Debt service costs decreased as several bonds matured and were paid off. Parks and Recreation expenditures increased to meet the maintenance requirements of an expanding number of parks. Other departments, including Finance, Fire, and Highways and Public Improvements showed little change from the previous year, as a result of requests to maintain budgets in response to declining operating revenues.



| <u>Revenues General Fund</u>  | <u>FY 2007-<br/>2008</u> | <u>FY 2008-<br/>2009</u> | <u>Increase<br/>(Decrease)</u> | <u>Percent<br/>Change</u> |
|-------------------------------|--------------------------|--------------------------|--------------------------------|---------------------------|
| General Property Taxes        | \$20,776,036             | \$21,920,558             | \$1,144,522                    | 5.51%                     |
| Sales and Use Taxes           | 22,119,553               | 18,850,136               | (3,269,417)                    | (14.78)%                  |
| Utility Taxes (Franchise)     | 9,034,803                | 9,299,207                | 264,404                        | 2.93%                     |
| Licenses and Permits          | 3,376,754                | 3,691,344                | 314,590                        | 9.32%                     |
| Intergovernmental             | 4,258,929                | 5,757,171                | 1,498,242                      | 35.18%                    |
| Fines and Forfeitures         | 3,598,220                | 3,829,389                | 231,169                        | 6.42%                     |
| Charges for Services          | 653,709                  | 870,358                  | 216,649                        | 33.14%                    |
| Interest on Investments       | 1,521,860                | 858,334                  | (663,526)                      | (43.60)%                  |
| Special Improvement Districts | 757,653                  | 256,512                  | (501,141)                      | (66.14)%                  |
| Sale of Land                  | 400,000                  | 1,957,086                | 1,557,086                      | 389.27%                   |
| Miscellaneous                 | 1,264,358                | 1,156,758                | (107,600)                      | (8.51)%                   |
| TOTAL                         | \$67,761,875             | \$68,446,853             | \$684,978                      | 1.01%                     |

| <u>Operating Expenditures<br/>General Fund</u> | <u>FY 2007-<br/>2008</u> | <u>FY 2008-<br/>2009</u> | <u>Increase<br/>(Decrease)</u> | <u>Percent<br/>Change</u> |
|--|--------------------------|--------------------------|--------------------------------|---------------------------|
| Legislative                                    | \$617,742                | \$547,713                | \$(70,029)                     | (11.34)%                  |
| Administrative                                 | 6,136,235                | 7,470,635                | 1,334,400                      | 21.75%                    |
| Legal  | 2,533,544                | 2,801,851                | 268,307                        | 10.59%                    |
| Finance  | 1,401,928                | 1,442,777                | 40,849                         | 2.91%                     |
| Non Departmental                               | 352,977                  | 364,950                  | 11,973                         | 3.39%                     |
| Police   | 18,918,655               | 20,371,002               | 1,452,347                      | 7.68%                     |
| Fire   | 7,996,650                | 8,057,871                | 61,221                         | 0.77%                     |
| Highways and Public<br>Improvements            | 8,387,854                | 8,458,579                | 70,725                         | 0.84%                     |
| Parks and Recreation                           | 1,487,988                | 1,625,855                | 137,867                        | 9.27%                     |
| Community Development                          | 3,033,457                | 3,551,711                | 518,254                        | 17.08%                    |
| Other Nondepartmental                          | 2,931,443                | 2,497,019                | (434,424)                      | (14.82)%                  |
| Debt Service                                   | 5,357,975                | 3,017,226                | (2,340,749)                    | (43.69)%                  |
| TOTAL  | \$59,156,448             | \$60,207,189             | \$1,050,741                    | 1.78%                     |

## **DEBT ADMINISTRATION**

West Valley City has no bonded general obligation debt. However, we recognize the need to have the ability to issue revenue bonds and utilize lease purchasing.

The ratios of net debt to the assessed valuation of taxable property and the amount of the general debt per capita are useful indicators of the City's debt position for municipal management, citizens, and investors. This data for West Valley City, at the end of the 2009 fiscal year is as follows:

|   |               |
|---|---------------|
| Governmental Activities Long-term Liabilities | \$108,602,123 |
| Legal Limit of General Obligation Debt        | \$242,683,231 |
| Ratio of Debt to Assessed Value               | 1.90%         |
| Ratio of Debt to Percent Market Value         | 1.79%         |
| Debt Per Capita                               | \$867.30      |

## **BOND RATING**

West Valley City's conservative position with regard to debt management resulted in Standard & Poor's Ratings Services (S&P) assigning municipal a bond rating of "AA-" to the City.

## **CASH MANAGEMENT**

West Valley City has in place a depository contract with Zions Bank in Salt Lake City, Utah, which is an agreement concerning all deposited money. The bank pays interest monthly based on the average daily sweep account balance. The city deposits and invests all funds as allowed under the Utah Money Management Act. During fiscal year 2009 the general fund was able to maintain \$19,327,714 as an average investment, which earned interest of \$405,882 with an average interest rate of 2.1%. During the same fiscal year the other funds were able to earn interest of \$109,731 on an average balance of \$5,225,294. The City also earned interest on unspent bond proceeds and debt reserves held by bond trustees. The total interest earnings to the city during fiscal year 2009 were \$1,237,663. Of this total, \$858,334 was earned by the general fund; the balance of \$379,329 was earned by the Capital Improvements Fund, special revenue funds, and enterprise funds.

## **GENERAL FIXED ASSETS**

As of June 30, 2009, the capital assets of the City, net of depreciation, were \$375,453,375. Assets are used in the performance of general government functions. This amount represents the original cost of the assets, with the exception of infrastructure acquired at the time of the City's incorporation in 1980. These assets are valued at estimated cost adjusted for inflation. As of June 30, 2009, the City is required by GASB 34 to include infrastructure in capital assets. Infrastructure includes major and minor streets, right-of-ways, sidewalks, bridges, traffic signals, and stormwater drainage structures. Donated assets are capitalized at their fair value on the date received. In accordance with GASB 34, depreciation is not recognized for governmental funds at the fund level, but is included on the entity-wide financial statements. Depreciation is recognized in the West Ridge Golf Course, Stonebridge Golf Course, Housing Authority, and Ambulance Service enterprise funds.

## ECONOMIC CONDITION AND OUTLOOK

The economic environment in which West Valley City entered fiscal year 2009 created a somewhat different challenge for those responsible for managing the City's assets and operations. The downward economic trend was becoming evident by the end of fiscal year 2008, and continued during fiscal year 2009. Sales tax, a major factor in financing City operations, has lagged several percentage points behind historic levels, and below budgeted estimates made before the current recessionary period became apparent. Building and business license-related revenues were negatively impacted as businesses ceased operations and developers were left with unsold residential and business properties. Property taxes provided somewhat of a buffer; prior to the 2007 property tax increase, sales tax was the largest single source of revenue for the City, now property taxes and sales tax are roughly equal as sources of funding for City services. For the fiscal year, overall General Fund revenues stayed basically static; however, included in the total revenues were approximately \$3.6 million in one-time funds earmarked for specific future projects. Operating revenues decreased by 4% from 2008, principally due to the drop in sales tax revenues. The City was able to record a modest increase in business and building-related revenues, as well as charges for services, but these increases are offset by a substantial loss in interest revenue traditionally earned by the City on invested funds. However, the City's outlook is not without some promise. One notable area of growth was the City Center area surrounding Valley Fair Mall and the City Office complex, which saw a number of business establishments open, with more major additions to the mall in the planning and construction stages, promising substantial future tax and revenue sources for the City. Intergovernmental revenue sources, especially federal monies including Community Development Block Grants (CDBG), may become available as the federal government's stimulus packages filter down to the state and local level. The City has been able to maintain its focus on major aspects of its strategic plan, and continue to accommodate the service requirements mandated by its recent growth, while keeping tight control of expenditures.

The highlight of the City's economic activity is centered around the following projects:

### **Lake Park Corporate Center and Highbury Residential Community**

Located just west of Bangerter Highway and 2400 South, Lake Park Corporate Center's 875 acres make it the largest office/recreation complex in the state. Owned and developed by Zions Securities, Phase I of the Park includes 375 acres for deluxe office campuses, such as the three story, 2,000 employee regional headquarters for Discover Credit Card, and the corporate headquarters for Intermountain Health Care. When completed, the park may employ as many as 12,000 workers. The remaining acreage is designed to preserve and enhance the natural habitat for birds and other wildlife, utilizing a 27-hole Johnny Miller golf course, and a multitude of lakes, trails and open space. During fiscal year 2002 the City purchased the golf course (Stonebridge Golf Course) to provide recreation opportunities within the City, and ensure continuing green space. The Montessori organization purchased and built, and is currently operating a private school, "The Dancing Moose" private school on surplus Stonebridge property purchased from the City in fiscal year 2006.

Also being developed by Zions Securities, Highbury residential community is setting a new standard in the City for quality of life. Citizens choosing to live there enjoy the option of living, working, recreating, and shopping all within walking distance of their homes. The scale of this project, at 400 acres, combines the intimate feel described as well as a large enough size to make it the premiere community in the City.

## **West Valley Entertainment District**

The \$57.5 million E Center, located east of I-215 at 3200 South, opened September 1997 and for many years has been the focal point of the City's expanding business activity. The 10,400 seat arena is the home of the Utah Grizzlies professional hockey team. The E Center served as the venue for men's ice hockey during the 2002 Winter Olympics. The Center is also used for collegiate and high school athletic events, concerts, circuses, ice shows, rodeos, conventions, and a variety of special events.

Located southeast of the E Center is the \$9.8 million, 525 seat Hale Centre Theatre at Harman Hall. Completion and dedication of this magnificent theater-in-round coincided with founder Ruth Hale's 90th birthday on October 1st, 1998. This popular theater draws over a quarter-million patrons each year with its year-round shows and world class performances.

The 57-acre site around the E Center now has more than 500 hotel rooms; a variety of restaurants; and a 153,400 square foot Carmike cinema and amusement center featuring 16 movie screens, many family oriented activities, a children's game area and food court.

In addition to the E Center bringing an important entertainment dimension to Salt Lake County, it also stimulates economic development. Two new hotel projects in the area directly north of the E Center opened during the fiscal year, bringing tourism and other tax revenues to the City. As development continues, employment within the project area is expected to include over 100 long-term permanent full-time jobs, and 300 part-time jobs. Using a multiplier factor for subsequent jobs created in the greater community, it is projected that an additional 400 jobs result from operation of the E Center. The nearly 2,000 potential new jobs from development in and around the E Center have a potential to infuse the regional economy with payroll wages in excess of \$40 million. Additionally, the E Center, Hale Centre Theatre, and surrounding businesses have raised the City's profile among Salt Lake valley residents; it is now more than ever a destination for valley residents and visitors.

## **5600 West**

The 5600 West corridor area continues to be the City's fastest developing area. The street has been widened to accommodate increased traffic as the City's population continues to grow in this area, and businesses are taking advantage of the increased access and population base. The largest of the businesses is Wal Mart, which is operating two Super Wal Marts – one on the north end of the 5600 West corridor, and the second on the south end. Several other major retail enterprises, including Kohl's and Sears Grand have opened, a large WINCO grocery store is under construction, and more businesses and restaurants continue to open in this area. A large planned-unit development has also been constructed in this area and is currently being marketed to homebuyers. This growth is providing a healthy boost to the City's tax base. The 20,000 capacity amphitheater operated by United Concerts/Pristine Alpine Entertainment continues to bring in high-profile concerts scheduled throughout the summer season. The state of the art facility further raises West Valley City's profile as an entertainment destination, as well as further opening the West Ridge area for development.

## **City Center**

The City Center Redevelopment Project is the City's newest area of major development. The area is focused around the Valley Fair Mall and City Offices complex. The new owners of the mall have

aggressively expanded the mall property, bringing in a significant number of restaurants and other businesses to expand the mall's scope; by fiscal year-end, several restaurants, a bank, and other businesses had opened and were doing business. A Costco warehouse store opened in 2007 adjacent to the mall property, enhancing the commercial draw of the area. As part of the overall plan for the area, the City's Redevelopment Agency has acquired business and residential properties in the area and is reviewing proposed plans from several developers. An additional aspect of the development is the pending UTA Trax light rail spur being constructed with its terminus in this City Center area. When completed the development is planned to provide a destination for residents and shoppers in a relaxed, open space area.

## **MAJOR INITIATIVES**

### **STRATEGIC PLAN**

West Valley City's administration facilitates and implements the City's annual strategic plan process. This strategic plan combines staff recommendations for service needs, Council input for policy prioritization, and reflects desires of the citizenry through such tools as the annual citizen survey and direct contact. The City's administration and City Council have found this input to be very valuable in determining the direction of the City's growth and allocation of resources. The objectives identified in the current strategic plan are as follows:

- Citizen Development
- Community and Economic Development
- Public Safety
- Transportation

Many of the programs developed and implemented in past budget years in response to concerns highlighted in the strategic plan continue to produce positive results for the improvement and progress of the West Valley City community. Although these programs continue, they will not be detailed in this letter unless significant change has occurred.

### **CITIZEN DEVELOPMENT**

The City is constantly working to improve communications between citizens and City staff; a City website, set up to provide online access to City information, is continually updated, with additional information and information links being added, along with a public access television channel. A bi-monthly newsletter is also mailed out to citizens. Citizen input is actively requested in bringing issues to the City's attention, including an annual citizen survey process. The City's Utah Cultural Celebration Center is a constant source of exhibits and programs showcasing arts and highlighting the diverse nature of the City's population. City CDBG grant resources are being used to provide assistance to elderly and disabled citizens, funding emergency repairs they could not otherwise afford. Efforts are being made to increase the number of City parks, and to maintain and improve existing parks. In addition, the Healthy West Valley City initiative is promoting community awareness and opportunities for health care and healthy living practices. The City's after-school program partnership is also seeing success coordinating after school programs for students.

### **COMMUNITY DEVELOPMENT**

The City's robust growth has reinforced the need for proactive planning, to be able to act

positively, and not merely react to community pressures. The City is implementing an integrated GIS system, which ties together several diverse services with common ties to City geographical locations, providing a common database. It is also employing a long-range planner to anticipate future City needs. In addition, the City maintains an active Economic Development Department and Redevelopment Agency to guide and upgrade the City's business and economic base. The Community and Economic Development Department continued laying the groundwork for the planned City Center redevelopment project, acquiring land in the project area. The 3500 South corridor and the City Center projects located around City Hall remain high priority areas of focus. Sustainability of our neighborhoods is another key focus of Community Development. The new Community Preservation Department has already produced results in terms of reduction in crime and decreased code violations.

## **PUBLIC SAFETY**

The City has been actively responding to the citizens' concerns in this area, having increased the police force by more than 70% since 1993. The City has made a conscious effort to fill all vacant positions within the police department to address concerns about response time expressed by citizens. The police department is coordinating efforts with other involved departments on the Weed & Seed program to improve neighborhoods and remove some of the causes of juvenile crime. The Community Oriented Service Division is modeling and implementing new ways to track and respond to neighborhood safety issues. The City's efforts are reflected in a stable crime rate despite a growing population and harsh economic conditions that often result in upward pressures and harsh societal conditions.

## **JUSTICE COURT**

The upgraded Justice Court has fulfilled expectations in prosecuting crimes and providing tighter control over citations issued in West Valley City. Collections have increased significantly, and violators who previously ignored citations are now being held accountable. This increased enforcement tool has added to the effectiveness of City programs such as the ACE program, and traffic enforcement to control the increasing volume of vehicle use. The public safety building acquired by the City provides space for the expanded Justice Court on its main floor with a new, state of the art facility. Its proximity to the police facilities enhances both departments' operations and inter-department coordination.

## **FIRE AND MEDICAL**

The City's fire department is working to maintain or reduce response times for emergency calls and provide the best possible services to a growing population. Personnel are regularly trained in procedures and the City is making an effort to upgrade facilities and equipment to maximize the efficiency of the emergency staff. The City currently has five fire stations and is planning a sixth in response to the rapid growth occurring in the southwest corner of the City. Facilities, apparatus, equipment, and special needs of the department will continue to require a significant amount of the City's attention. The City's ambulance service provides quicker response time than was previously available, makes more efficient use of Fire Department assets, and enhances the spectrum of care provided by the City's Fire Department. The City's Fire Department is also participating in training citizens in the Community Emergency Response Team (CERT) program.

## **TRANSPORTATION ENHANCEMENTS**

As West Valley City grows, increased capacity on the City's streets becomes more important. The City has been studying methods of facilitating traffic flow and improving transportation systems. These improvements include a coordinated signal system, and continuing a six-year street resurfacing program to maintain the City's infrastructure investment. During fiscal year 2009 the City started or continued several major street improvement projects while maintaining street surfaces through an ongoing schedule of chipsealing for major streets, and cracksealing for secondary surfaces. As population continues to grow, mass transit must play an increasingly important role. The 3500 South corridor is a focus of attention, with planners working to make a more efficient traffic flow design, and incorporating mass transit options. The City is working with the Utah Transit Authority (UTA) and neighboring cities on mass transit issues. This year UTA introduced the state's first Bus Rapid Transit System, referred to as "MAX," operating along 3500 South through the City. Construction of the new light rail spur from the main line running down the center of the valley to West Valley City has begun and completion is anticipated in the next couple years. This line will terminate at City Hall at the new intermodal transportation center which is now under construction. The City continues to aggressively acquire properties in the City Center area and plans to partner with developers to stimulate complementary transit oriented growth.

## **SUMMARY**

The City's economic and social environment continues to change, reflecting the larger society around it. Changes in property taxes, increasing e-commerce, and changes in the overall economy present challenges in projecting revenues; at the same time, a growing, changing City population requires the City to meet changing needs. The need for effective long-range planning is more important than ever. As a result of several years of conservative spending policies, the City has accumulated fund balance which has provided some cushion during the current negative economic cycle. A significant portion of the previously accrued fund balance has been tapped to maintain current service levels without resorting to staffing cutbacks; with the economic environment at year-end remaining bleak, and projected revenues declining, care must be taken not to overextend the City's resources; demand still outstrips resources, requiring careful allocation of City resources.

That the City is able to accomplish so much during a period of tight economic circumstances is a tribute to the planning and commitment of the Mayor and Council. The coordinated efforts of finishing current projects while extending on to new planning efforts are only possible when continued direction and commitment are present, together with good management and focus of a dedicated staff. West Valley continues to show itself a leader in this area as it stacks success upon success.

## **ACKNOWLEDGMENTS**

West Valley City has established itself as a major and vital part of the economic and political environment of the greater Salt Lake Valley metropolitan area. Increasingly, West Valley City plays a leadership role in all aspects of life here. That the City continues to move so far, so quickly, can be attributed to the vision and dedication to pursuing common goals and objectives identified, defined and then carried out by the community as a whole, including residents, businesses, the City's staff, and especially its elected officials. The City Manager's tireless efforts in implementing the City Council's vision is guiding the City towards the brightest future possible.

Without cooperative, unselfish and dedicated City leadership, the vision that guides the strategic plan would remain only a vision.

These significant achievements are a result of the Mayor and Council's dedication to strong planning through the Strategic Plan and their continued commitment to achieve effective government for the citizens of West Valley City.

## **CONCLUSION**

Citizens of West Valley City can take great pride in their City. The City is successfully implementing the Strategic Plan, designed to improve the quality of life and effectiveness of delivering City services while at the same time promoting quality recreation and lifestyle opportunities, and the infrastructure improvements required by a growing citizen base. Achievements of this magnitude are only possible with clear direction from the Mayor and Council and good management from Executive Staff.

## **RISK MANAGEMENT**

The City participates in a risk management pool which covers all property and liability insurance claims in excess of \$25,000, which is the deductible. Third-party coverage also exists for workers' compensation and health insurance. The City is self-insured up to \$250,000 per event/per occurrence for workers compensation claims. In addition, safety programs and other measures to reduce loss have been implemented.

## **POST-EMPLOYMENT BENEFITS**

The City offers no post-employment benefits except for retirement plan benefits as discussed in the notes to the financial statements. However, terminated employees have the option of purchasing their own health insurance under the IHC COBRA provisions. Those employees who retire also have the opportunity to purchase the COBRA plan offered by the City.

## **INDEPENDENT AUDIT**

State law and City Municipal Code require the financial statements of West Valley City to be audited annually by a Certified Public Accountant selected by the City Council. This requirement has been complied with and the auditor's opinion is included in the Financial Section of this report. This report has been audited by the firm of Jensen & Keddington, P.C., whose examination was made for the purpose of forming an opinion on the basic financial statements. As stated in the report, the independent auditors have given an unqualified opinion that the City's basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Certificates of Achievement for Excellence in Financial Reporting to West Valley City for its Comprehensive Annual Financial Reports for the fiscal years ended June 30, 1991, and 1993 through 2008. The Certificate of Achievement is a prestigious award recognizing conformance



with the highest standards for preparation of state and local government financial reports.

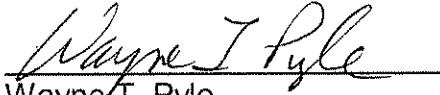
In order to be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that this report conforms to the Certificate of Achievement Program requirements and is being submitted to the GFOA.

## ACKNOWLEDGMENTS

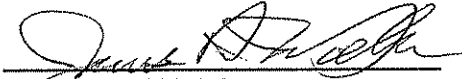
The timely preparation of this report was achieved by the efficient and dedicated accomplishments of the entire staff of West Valley City, to whom we offer our sincere appreciation.

Respectfully submitted,

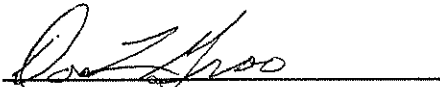
WEST VALLEY CITY



Wayne T. Pyle  
City Manager



James D. Welch  
Finance Director



Don L. Groo  
Chief Accountant

WEST VALLEY CITY, UTAH

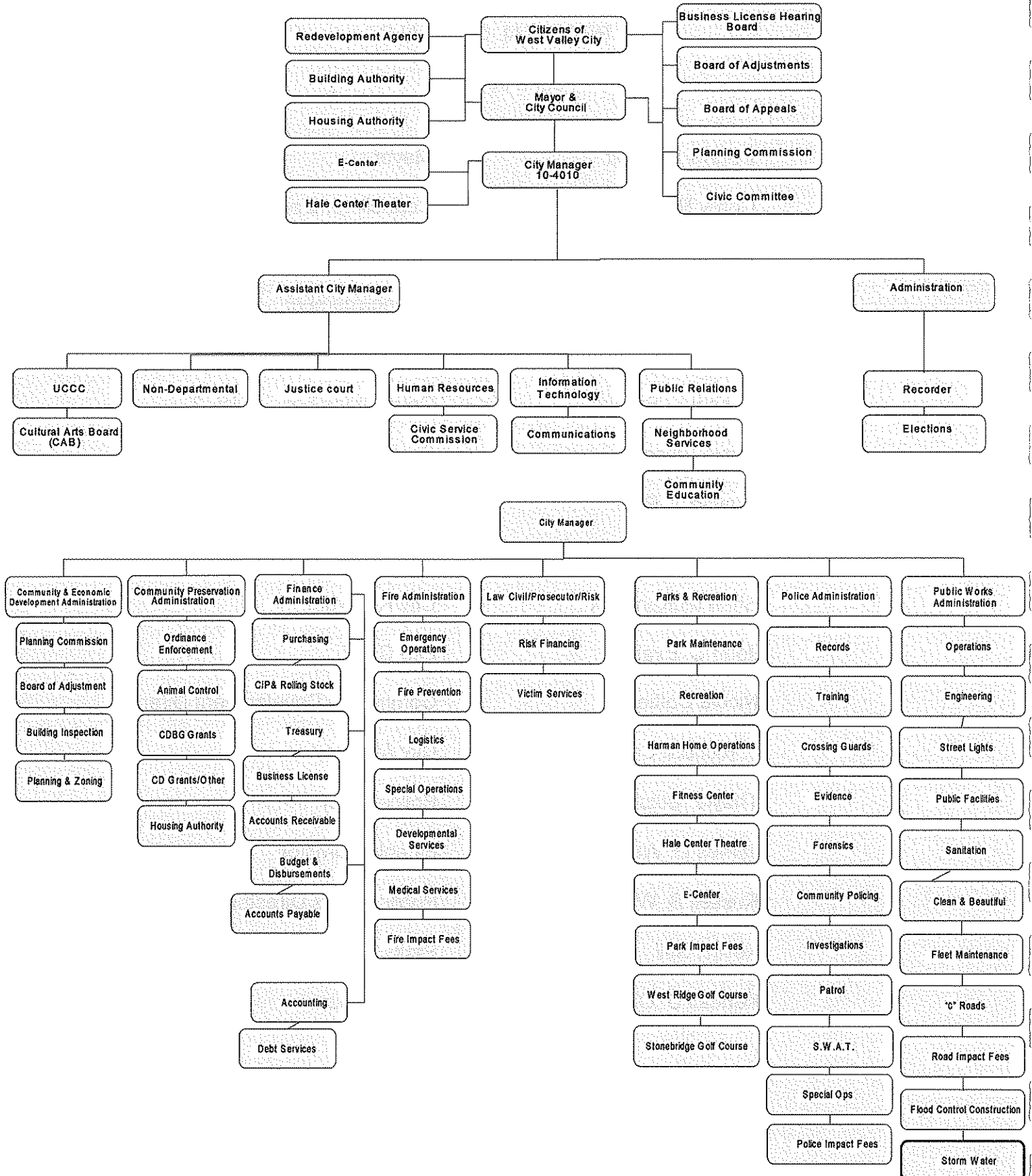
PRINCIPAL OFFICIALS

June 30, 2009

|                       |                                |
|-----------------------|--------------------------------|
| Dennis Nordfelt       | Mayor                          |
| Corey Rushton         | Councilmember - At Large       |
| Mike Winder           | Councilmember - At Large       |
| Carolynn Burt         | Councilmember - Dist. 1        |
| Joel Coleman          | Councilmember - Dist. 2        |
| Russel K. Brooks      | Councilmember - Dist. 3        |
| Steve Vincent         | Councilmember - Dist. 4        |
| Wayne T. Pyle         | City Manager                   |
| Paul D. Isaac         | Assistant City Manager         |
| Sheri McKendrick      | City Recorder                  |
| John C. Evans         | Fire Chief                     |
| Nicole Cottle         | Community Development Director |
| J. Richard Catten     | City Attorney                  |
| Thayle "Buzz" Nielsen | Police Chief                   |
| James D. Welch        | Finance Director               |
| Russell B. Willardson | Public Works Director          |
| Kevin Astill          | Parks and Recreation Director  |
| Kendall D. Olsen      | City Treasurer                 |

# West Valley City Organizational Chart

## July 1, 2009



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Valley City  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

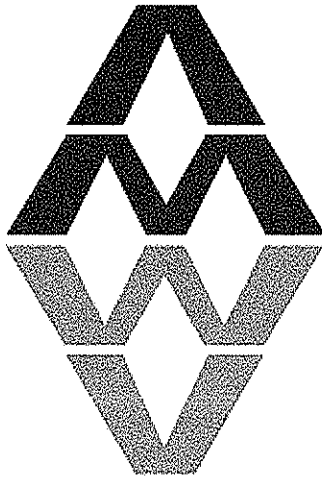


A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director





## INDEPENDENT AUDITOR'S REPORT

**Jensen & Keddington, P.C.**  
Certified Public Accountants

Honorable Mayor and  
Members of City Council  
West Valley City  
West Valley City, Utah

Jeffery B. Jensen, CPA  
Gary K. Keddington, CPA  
Brent E. Christensen, CPA  
Jeffrey B. Hill, CPA  
Gregory B. White, CPA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Valley City as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of West Valley City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund, and the aggregate remaining fund information of West Valley City as of June 30, 2009, and the respective changes in financial position, and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2009 on our consideration of West Valley City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and information about infrastructure assets reported using the modified approach, as noted on the table of contents, are not required parts of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise West Valley City basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements, including the schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Major Governmental Fund and the schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds listed as supplemental information in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Jensen & Keddington*

December 30, 2009



**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For The Year Ended June 30, 2009**

As management of West Valley City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

**Financial Highlights**

- As of the end of the current fiscal year, the assets of the City exceeded its liabilities by \$311,452,234 (net assets). Of this amount \$32,448,931 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The total net assets of \$311,452,234 are made up of \$258,780,992 in capital assets net of related debt and \$52,671,242 in other net assets.
- The City's total long-term liabilities increased by \$9,091,058.
- The City's Redevelopment Agency purchased \$4,172,170 in land held for resale in anticipation of acquiring a developer for its planned City Center project.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

**Government-wide financial statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of West Valley City's finances, in a manner similar to a private-sector business.

- The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you will also need to consider other non-financial factors.
- The *statement of activities* presents information showing how the City's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of West Valley City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and public improvements, parks and recreation, and Community and Economic Development.

**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

The government-wide financial statements include not only the City itself, but the following blended component units. The West Valley City Housing Authority (Housing Authority), West Valley City Building Authority (Building Authority), and West Valley City Redevelopment Agency (Redevelopment Agency) are legally separate entities governed by boards appointed by the City Council, consisting of the City Council members. For financial reporting purposes, the Housing Authority, Building Authority, and Redevelopment Agency are reported as if they were part of the City's operations because their governing boards are the City Council. Therefore, the City Council is financially accountable and has significant influence over the programs, projects, activities, and level of services performed or provided by the organizations.

**Fund financial statements**

A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- *Governmental funds* These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Redevelopment Agency Fund, which are considered to be major funds. Data from the other 13 governmental funds are combined into a single combined column. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. Budgetary comparison schedules have been provided to demonstrate compliance with those budgets.

- *Proprietary funds*  
West Valley City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its West Ridge Golf Course, Stonebridge Golf Course, Housing Authority and Ambulance Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. West Ridge Golf Course and Stonebridge Golf Course are classified as major funds and are included on the Statement of Net Assets-Proprietary Funds within this report. Data from the other two proprietary funds are combined into a single combined column. Individual fund data for each of these non-major proprietary funds is provided in the form of *combining statements* elsewhere in the report. The basic proprietary fund financial statements can be found as listed in the table of contents.

**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

**Other Information**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found as listed in the table of contents.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$311,452,234 at the close of the most recent year. The City's overall financial position improved. Total net assets increased by \$18,170,359; net assets of governmental activities increased by \$17,691,728 and net assets of business-type activities by \$478,631. The increase in total net assets was principally in capital assets net of related debt. The City's investment in non-depreciable infrastructure increased by \$9,408,179; the largest single component of this was contributed right-of-ways. The City also had an increase of \$4,086,173 in construction in progress, as a new City animal shelter and office building neared completion. Additionally, the City upgraded and added equipment at a cost of \$2,664,289. Outstanding debt increased by \$9,136,653 due to bond issuances to fund the animal shelter/office building, and to acquire land for resale in the Redevelopment Agency's city center project; the City also entered several capital leases to fund equipment purchases. Governmental revenues increased slightly, \$3,001,828, or 3%. Reflecting the overall slowing of the economy nationally and locally, sales tax decreased by \$3,305,081, or 15%; this was offset by increases in property tax of \$1,566,863, and other taxes of \$2,014,240. Governmental activities expenses increased by \$2,105,232, or 2.5%; General government decreased by \$3,210,686 from the previous year's unusually high level to a more historically typical level. This was offset by an increase of \$3,610,401 in public safety to meet demands for more service related to growing population and development. In business-type activities, revenues and expenses did not change significantly, showing normal fluctuations based on economic environment factors, with golf course recreation declining by \$133,303 while services represented by the Housing Authority and ambulance service increased by \$807,061. By far the largest portion of the City's net assets (\$258,780,992 or 83%) is its investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, and infrastructure assets), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

|  | Governmental<br>Activities<br>2009 | Governmental<br>Activities<br>2008 | Business-type<br>Activities<br>2009 | Business-type<br>Activities<br>2008 |
|--|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Current and other assets                           | \$ 95,894,302                      | \$ 88,096,372                      | \$ 3,510,788                        | \$ 3,766,184                        |
| Capital assets                                     | 357,155,869                        | 340,784,912                        | 18,297,506                          | 18,576,197                          |
| Total Assets                                       | <u>\$ 453,050,171</u>              | <u>\$ 428,881,284</u>              | <u>\$ 21,808,294</u>                | <u>\$ 22,342,381</u>                |
| Current and other liabilities                      | \$ 41,754,187                      | \$ 45,425,687                      | \$ 1,497,796                        | \$ 1,452,913                        |
| Long-term liabilities                              | 108,602,123                        | 98,453,464                         | 11,552,125                          | 12,609,726                          |
| Total Liabilities                                  | <u>\$ 150,356,310</u>              | <u>\$ 143,879,151</u>              | <u>\$ 13,049,921</u>                | <u>\$ 14,062,639</u>                |
| Net assets:  |                                    |                                    |                                     |                                     |
| Invested in capital assets,<br>net of related debt | \$ 252,035,611                     | \$ 243,560,457                     | \$ 6,745,381                        | \$ 6,040,767                        |
| Restricted   | 20,222,311                         | 16,795,236                         | -                                   | 49,916                              |
| Unrestricted                                       | 30,435,939                         | 24,646,440                         | 2,012,992                           | 2,189,059                           |
| Total Net Assets                                   | <u>\$ 302,693,861</u>              | <u>\$ 285,002,133</u>              | <u>\$ 8,758,373</u>                 | <u>\$ 8,279,742</u>                 |

An additional portion of West Valley City's net assets totaling \$20,222,311 (6.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$32,448,931) may be used to meet the government's ongoing obligations to citizens and creditors.

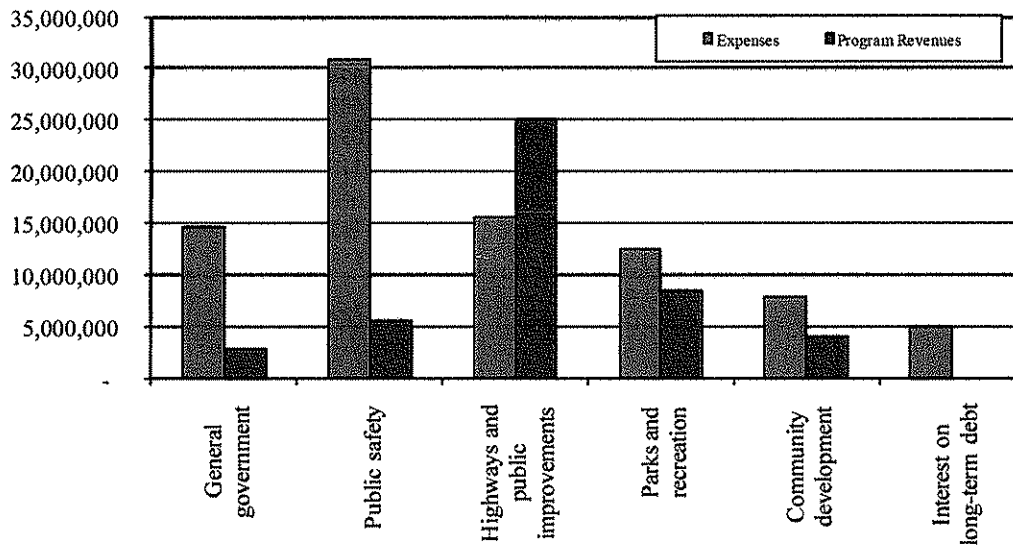
**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

|                                      | Governmental<br>Activities<br>2009 | Governmental<br>Activities<br>2008 | Business-type<br>Activities<br>2009 | Business-type<br>Activities<br>2008 |
|--------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Revenues:                            |                                    |                                    |                                     |                                     |
| Program revenues:                    |                                    |                                    |                                     |                                     |
| Charges for services                 | \$ 26,812,765                      | \$ 24,444,809                      | \$ 4,683,248                        | \$ 4,104,326                        |
| Operating grants and contributions   | 6,129,745                          | 6,011,253                          | 3,265,560                           | 2,807,203                           |
| Capital grants and contributions     | 12,929,031                         | 13,367,105                         | -                                   | -                                   |
| General revenues:                    |                                    |                                    |                                     |                                     |
| Property taxes                       | 28,015,516                         | 26,448,653                         | -                                   | -                                   |
| Sales taxes                          | 19,120,182                         | 22,425,263                         | -                                   | -                                   |
| Franchise taxes                      | 9,299,207                          | 9,034,802                          | -                                   | -                                   |
| Other taxes                          | 155,167                            | 118,727                            | -                                   | -                                   |
| Unrestricted investment earnings     | 774,332                            | 1,642,412                          | 10,253                              | 72,791                              |
| Gain (loss) on disposition of assets | 321,054                            | 112,267                            | (4,116)                             | 17,142                              |
| Other revenues                       | 2,136,542                          | 155,168                            | -                                   | -                                   |
| Total Revenues                       | <u>105,693,541</u>                 | <u>103,760,459</u>                 | <u>7,954,945</u>                    | <u>7,001,462</u>                    |
| Expenses:                            |                                    |                                    |                                     |                                     |
| General government                   | 14,647,184                         | 19,014,062                         | -                                   | -                                   |
| Public safety                        | 30,799,097                         | 27,188,696                         | -                                   | -                                   |
| Highways and public improvements     | 15,475,919                         | 18,236,835                         | -                                   | -                                   |
| Parks and recreation                 | 12,441,389                         | 10,324,958                         | -                                   | -                                   |
| Community development                | 7,841,988                          | 5,777,061                          | -                                   | -                                   |
| Interest on long-term debt           | 4,996,711                          | 4,448,885                          | -                                   | -                                   |
| Golf courses                         | -                                  | -                                  | 3,888,337                           | 4,021,640                           |
| Housing Authority                    | -                                  | -                                  | 3,591,190                           | 3,107,271                           |
| Ambulance                            | -                                  | -                                  | 1,796,312                           | 1,473,170                           |
| Total Expenses                       | <u>86,202,288</u>                  | <u>84,990,498</u>                  | <u>9,275,839</u>                    | <u>8,602,081</u>                    |
| Increase (decrease) in net assets    |                                    |                                    |                                     |                                     |
| before transfers                     | 19,491,253                         | 18,769,961                         | (1,320,894)                         | (1,600,619)                         |
| Transfers                            | <u>(1,799,525)</u>                 | <u>(1,643,466)</u>                 | <u>1,799,525</u>                    | <u>1,643,466</u>                    |
| Increase in Net Assets               | 17,691,728                         | 17,126,495                         | 478,631                             | 42,847                              |
| Net Assets - Beginning               | <u>285,002,133</u>                 | <u>267,875,638</u>                 | <u>8,279,742</u>                    | <u>8,236,895</u>                    |
| Net Assets - Ending                  | <u>\$ 302,693,861</u>              | <u>\$ 285,002,133</u>              | <u>\$ 8,758,373</u>                 | <u>\$ 8,279,742</u>                 |

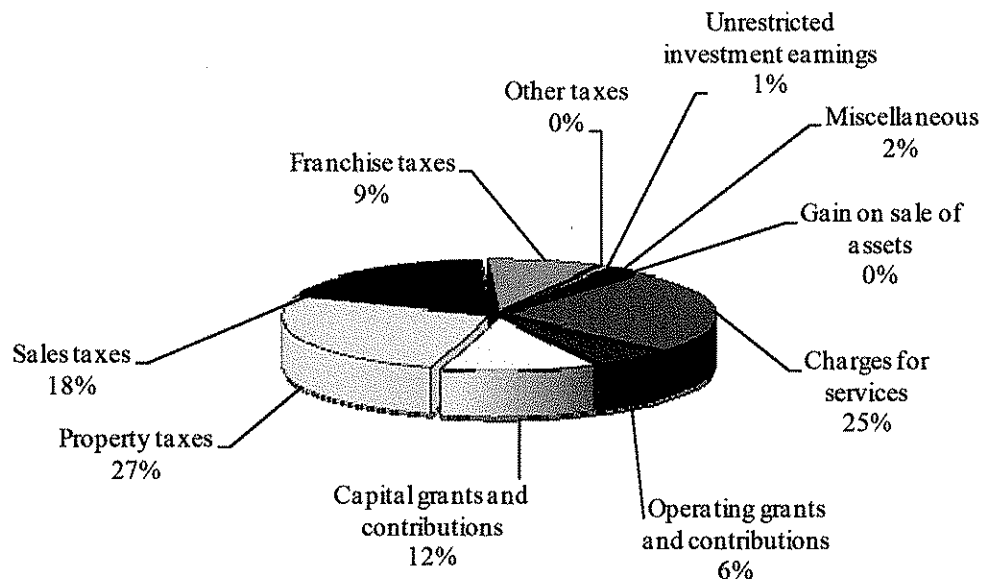
**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

The following graphs display the government-wide activities for governmental activities reflected in the above tables. The program revenues on the graph below do not include general revenue such as property tax, sales taxes, etc., as listed on the preceding page.

**Expenses and Program Revenues - Governmental Activities**

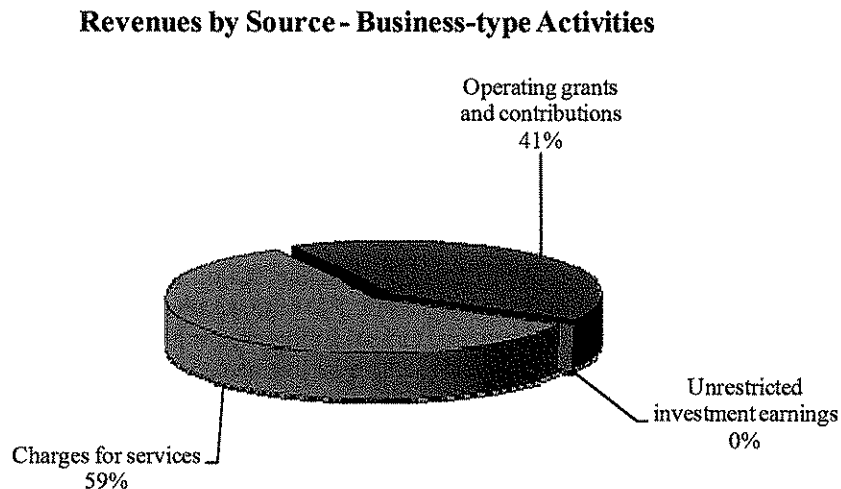
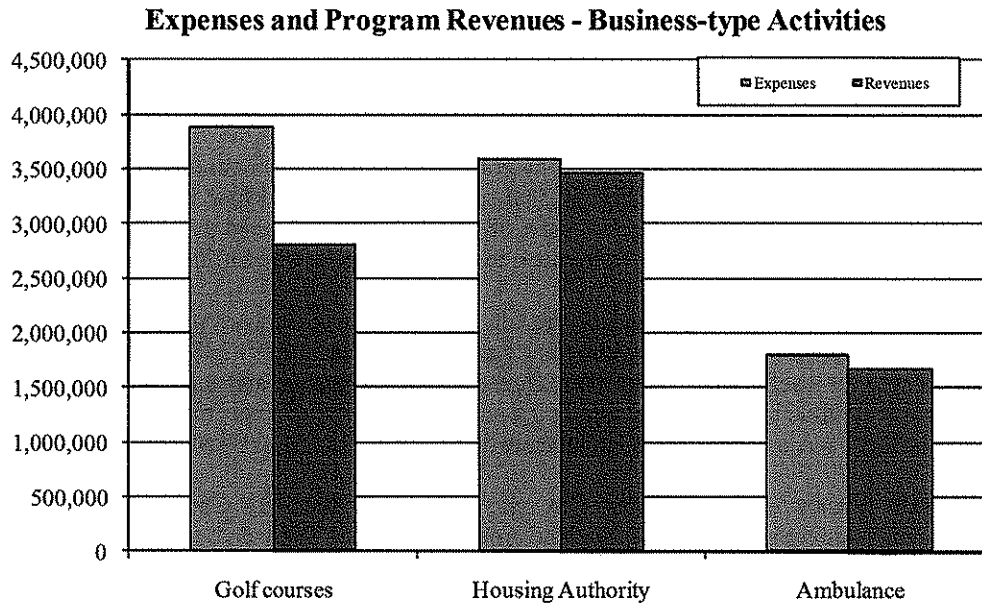


**Revenues by Source - Governmental Activities**



**WEST VALLEY CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2009**

**Business-type activities.** Business-type activities increased in the City's net assets by \$478,631. As of the end of the current fiscal year, West Ridge Golf Course and the Housing Authority reported positive net assets. Stonebridge Golf Course reported negative net assets of \$1,146,513 and Ambulance Fund reported negative net assets of \$329,295.



**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

**Financial Analysis of the Government's Funds**

As noted earlier, West Valley City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year. West Valley City has three Major Governmental Funds: the General Fund, Redevelopment Agency, and Capital Projects Fund.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$50,263,946. Of this total amount \$17,370,833 (34.5%) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and for future development.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,038,427 while total fund balance was \$16,994,238. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.7% of total general fund expenditures, while total fund balance represents 28.2% of that same amount. Sales tax revenue decreased by 14.7% in fiscal year 2009.

The Redevelopment Agency of West Valley City was created by the City Council with the authority and responsibility for redeveloping and upgrading blighted areas of the City. The members of the City Council are also members of the Redevelopment Agency's Board of Directors and, as such, are authorized to transact business and exercise their power to plan, engineer, and carry out projects of the Redevelopment Agency. Fund balance at the end of the year was \$13,065,135 with \$22,872,036 in assets composed of cash and equivalents, property tax increment receivable, receivables due from the City, and land held for future development.

The Capital Projects Fund was created to fund and account for financial resources to be used for the acquisition or construction of major capital facilities and fleet equipment or the government other than those financed by Proprietary funds or Special Revenue funds. During 2009, funds were accumulated in the Capital Projects fund and expenditures incurred on major facility construction and upgrades to existing City facilities. At year end the Capital Projects Fund had \$7,907,160 in unreserved fund balance available to fund these projects.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the West Ridge Golf Course fund at the end of the year were \$148,431. Revenues and expenses both decreased, by \$52,651 (4.3%) and \$17,239 (1.2%) respectively. Net transfers decreased by \$112,204. A management decision was made to open the course to play during marginal early and late season times to increase public exposure and play. Additional course and equipment maintenance and operational expenses exceeded additional revenues received during these times. New course maintenance equipment was acquired during the year to replace fully depreciated and worn out equipment.

Unrestricted net assets of the Stonebridge Golf Course fund at the end of the year were \$543,125, while total net assets increased by \$277,538 to a deficit net asset balance of \$1,146,513. The increase in unrestricted net assets resulted from cutting operating expenses, operating more efficiently, and an increase of \$264,813 in the transfer received from the City's general fund to subsidize golf course operations and reduce the deficit net asset balance. The increase in total net assets reflects the increase in unrestricted net assets. As was noted with West Ridge Golf Course above, City management decided to keep the course open during marginal early and late season times to



**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

increase public exposure; additional course and equipment maintenance and operational expenses exceeded additional revenues received during these times.

**General Fund Budgetary Highlights**

During the fiscal year, the General Fund's original budget was amended from an original budget expenditure total of \$61,670,256 to a final budget of \$67,914,994, an increase of \$6,244,738. These increases can be briefly summarized as follows:

- \$3,409,633 in increases in non-departmental maintenance and construction.
- \$1,205,255 in increases allocated for highways and public improvements.
- \$(23,741) in decreases allocated to parks and recreation.
- \$561,737 in increases in general government.
- \$730,750 in increases in public safety.
- \$272,987 in increases in community development.
- \$88,117 in increases to debt service.

Non-departmental maintenance and construction received additional budget to fund several one-time capital projects including infrastructure and building additions and repairs; also, the City's fleet replacement budget was moved from the Capital Projects Fund to General Fund's non-departmental expenditures. The highways and public improvements budget increase was funded from prior years' unused "C" Roads fund balance, and funds previously reserved for street light installation and maintenance. General government's budget was increased to acquire and upgrade City communications and information technology equipment. Public Safety departments received additional funding from state and federal grants during the year, acquired new equipment, and alleviated manpower shortages. The Community Development department budget was increased planning in connection with a planned light rail expansion into the City, along with a planned City Center development, and to upgrade department equipment. No other departments had significant variances between original and final budget, or between final budget and actual expenditures.

Of these increases, \$4,515,304 was to be funded out of operating and capital donations, \$884,856 was from the State "C" Roads allotment, and \$844,578 was from proceeds of a capital lease.

**Capital Assets and Debt Administration**

**Capital assets.** West Valley City's investment in capital assets for its governmental and business-type activities as of June 30, 2009, totals \$375,453,375 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, furniture and equipment, and infrastructure. The total increase in the City's investment in capital assets for the current year was \$16,092,266 (4.5%), \$16,370,957 (4.8%) increase for governmental activities and a decrease of \$278,692 (1.5%) for business-type activities).

**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

|                                   | Governmental<br>Activities<br>2009 | Governmental<br>Activities<br>2008 | Business - type<br>Activities<br>2009 | Business - type<br>Activities<br>2008 |
|-----------------------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| Land                              | \$ 17,945,298                      | \$ 19,531,689                      | \$ 12,950,150                         | \$ 12,950,150                         |
| Infrastructure                    | 239,785,966                        | 227,525,902                        | -                                     | -                                     |
| Buildings                         | 85,752,155                         | 87,552,036                         | 2,875,033                             | 2,991,055                             |
| Improvements other than buildings | 747,252                            | 563,455                            | 821,406                               | 756,473                               |
| Machinery and equipment           | 7,971,520                          | 5,386,581                          | 1,650,917                             | 1,850,815                             |
| Furniture and equipment           | 122,412                            | 79,828                             | -                                     | -                                     |
| Construction in progress          | 4,231,594                          | 145,421                            | -                                     | 27,704                                |
| Intangible assets                 | 599,672                            | -                                  | -                                     | -                                     |
| Total Capital Assets              | <u>\$ 357,155,869</u>              | <u>\$ 340,784,912</u>              | <u>\$ 18,297,506</u>                  | <u>\$ 18,576,197</u>                  |

Additional information on the City's capital assets can be found in Note 6 to this financial report.

**Infrastructure.** The City has adopted an allowable alternative to reporting depreciation for three of seven infrastructure subsystems in the transportation network. Under this alternative method, referred to as the "modified approach," the City must maintain an asset management system and demonstrate that its subsystems are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

**Major Streets**

The condition of the major streets pavement is measured using the Local Transportation Assistance Program (LTAP). This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows: Roads with a RSL rating of 19-21 years are considered in "excellent" condition, those with ratings of 13-18 years are considered in "very good" condition, those with ratings of 10-12 years are considered in "good" condition, those with ratings 7-9 years are considered in "fair" condition, those with ratings of 1-6 years are considered in "poor" condition, and those with ratings of 0 years are considered in "failed" condition.

It is the City's policy to maintain at least 80% of all major streets (by mileage) at or above the "fair to excellent" condition level. The City performs a complete condition assessment on each major street every three years. A condition assessment on the major streets was performed in 2007 and the next condition assessment is scheduled to be done during the Spring of 2010.

In 2009, the City spent \$468,163 to maintain and preserve its major streets. These actual maintenance and preservation costs were \$427,837 less than the estimated maintenance and preservation costs of \$896,000. Estimated costs were increased from the prior year based on the multi-year plan adopted by the City's Public Works Department to maintain streets at the desired level. The actual costs decreased as a result of reduced available funding; also, a significant part of the planned maintenance was to be performed after the end of the current fiscal year.

**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

Minor Streets

The condition of the minor streets pavement is also measured using the Local Transportation Assistance Program (LTAP). This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows: Roads with a RSL rating of 19-20 years are considered in "excellent" condition, those with ratings of 13-18 years are considered in "very good" condition, those with ratings of 10-12 years are considered in "good" condition, those with ratings 7-9 years are considered in "fair" condition, those with ratings of 1-6 years are considered in "poor" condition, and those with ratings of 0 years are considered in "failed" condition.

It is the City's policy to maintain at least 80% of all minor streets (by mileage) at or above the "fair to excellent" condition level. The City performs a complete condition assessment on each minor street every three years. A condition assessment on the minor streets was performed in 2009. The condition assessment completed in 2009 shows that 67% of the City's minor streets were in "fair" or better condition. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for five years.

In 2009, the City spent \$608,785 to maintain and preserve its minor streets. These actual maintenance and preservation costs were less than the estimated maintenance and preservation costs of \$720,000. Estimated costs decreased due to budget constraints. The actual costs were lower than the prior year, due to limited available funding

Sidewalks

The condition of the City's sidewalks subsystem is measured using the Geodatabase System in which pavement management data has been entered into a database linked to each street which has accompanying sidewalk. Sidewalks are assigned a condition category based on physical inspection. Sidewalks showing no defects are considered in the "excellent/good" category; sidewalks with light spalling and less than 1" displacement are considered in the "fair" category; sidewalks with light spalling and 1" to 2" displacement are considered in the "poor" category; and sidewalks with heavy spalling or more than 2" displacement are considered in the "failed" category.

It is the City's policy to maintain a minimum of 95% of sidewalks (by length) in the "excellent/good" category. The City performs a complete condition assessment on its sidewalks every three years. The condition assessment completed in 2009 shows that 96% of the City's sidewalks were in "excellent/good" condition. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for five years.

In 2009, the City spent \$157,679 to maintain and preserve its sidewalks. These actual maintenance and preservation costs were less than the estimated maintenance and preservation costs of \$458,000. Estimated and actual costs increased reflecting several major projects the City initiated to add, repair, and replace sidewalks. A significant part of the projects remained to be completed after the end of the fiscal year.

**WEST VALLEY CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2009**

**Long-term debt.** At the end of the current year, the City had total debt outstanding of \$120,154,248. The total amount is debt that is secured solely by specific revenue sources (i.e. revenue bonds). The debt shown below is net of the related debt issuance costs and/or unamortized premiums.

|                      | Governmental<br>Activities<br>2009 | Governmental<br>Activities<br>2008 | Business - type<br>Activities<br>2009 | Business - type<br>Activities<br>2008 |
|----------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| Revenue bonds        | \$ 98,895,613                      | \$ 89,595,960                      | \$ 11,401,589                         | \$ 12,166,013                         |
| Special improvement  | 1,454,536                          | 1,629,035                          | -                                     | -                                     |
| Note payable         | 2,563,000                          | 2,701,000                          | -                                     | -                                     |
| Capital leases       | 4,392,688                          | 3,298,460                          | 150,536                               | 443,713                               |
| Compensated Absences | 1,296,286                          | 1,183,414                          | -                                     | -                                     |
| Total                | <u>\$ 108,602,123</u>              | <u>\$ 98,407,869</u>               | <u>\$ 11,552,125</u>                  | <u>\$ 12,609,726</u>                  |

During the current fiscal year the City's total debt increased by \$9,136,653. The City maintains an "AA-" rating from Standard & Poor's.

State statutes limit the amount of general obligation debt that a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$242,683,231. The City currently has no outstanding general obligation debt. In addition, state statute allows for an additional 4% to be used for water, sewer, or electrical projects thus resulting in a debt limit of 8% of total taxable value. The current limitation for these water, sewer, or electrical projects is \$242,683,231. The City has no debt of this type.

Additional information on the City's long-term debt can be found in Note 11 to this financial report.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Salt Lake County (of which West Valley City is the second largest city) was 6.3%. This compares with a state unemployment rate of 5.7% and a national rate of 9.5%. This compares with previous year's rates of 3.1%, 3.3%, and 5.3% respectively. (Source: Utah Department of Workforce Service).
- The General Fund budget for the fiscal year ending June 30, 2009 reflects an increase of \$5,463,853 over the final budget for the fiscal year ending June 30, 2008.
- Economic trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for the 2009 fiscal year.

**Request for Information**

This financial report is designed to provide a general overview of West Valley City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: West Valley City, Finance Director, 3600 Constitution Boulevard, West Valley City, UT 84119.

## **BASIC FINANCIAL STATEMENTS**

**WEST VALLEY CITY**  
**STATEMENT OF NET ASSETS**  
**June 30, 2009**

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>Assets:</b>                                  |                            |                             |                       |
| Cash and cash equivalents                       | \$ 31,318,641              | \$ 1,895,210                | \$ 33,213,851         |
| Receivables:                                    |                            |                             |                       |
| Accounts, net                                   | 2,406,819                  | 955,181                     | 3,362,000             |
| Taxes   | 27,692,304                 | -                           | 27,692,304            |
| Intergovernmental                               | 3,706,457                  | -                           | 3,706,457             |
| Loans receivable                                | 618,605                    | -                           | 618,605               |
| Inventories                                     | 394,648                    | 161,166                     | 555,814               |
| Prepays   | 10,808                     | -                           | 10,808                |
| Deferred charges                                | 1,302,339                  | 199,883                     | 1,502,222             |
| Restricted assets:                              |                            |                             |                       |
| Cash and cash equivalents                       | 20,008,027                 | 299,348                     | 20,307,375            |
| Intergovernmental receivable                    | 768,308                    | -                           | 768,308               |
| Land held for resale                            | 7,667,346                  | -                           | 7,667,346             |
| Capital assets not being depreciated:           |                            |                             |                       |
| Land and collectibles                           | 17,945,298                 | 12,950,150                  | 30,895,448            |
| Infrastructure                                  | 203,560,522                | -                           | 203,560,522           |
| Construction in progress                        | 4,231,594                  | -                           | 4,231,594             |
| Intangible assets                               | 599,672                    | -                           | 599,672               |
| Capital assets net of accumulated depreciation: |                            |                             |                       |
| Buildings                                       | 85,752,155                 | 2,875,033                   | 88,627,188            |
| Improvements other than buildings               | 747,252                    | 821,406                     | 1,568,658             |
| Machinery and equipment                         | 7,971,520                  | 1,650,917                   | 9,622,437             |
| Furniture and equipment                         | 122,412                    | -                           | 122,412               |
| Infrastructure                                  | 36,225,444                 | -                           | 36,225,444            |
| <b>Total Assets</b>                             | <b>\$ 453,050,171</b>      | <b>\$ 21,808,294</b>        | <b>\$ 474,858,465</b> |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF NET ASSETS (Continued)**  
**June 30, 2009**

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>Liabilities:</b>                             |                            |                             |                       |
| Accounts payable                                | \$ 1,168,323               | \$ 136,543                  | \$ 1,304,866          |
| Accrued liabilities                             | 8,564,439                  | 476,874                     | 9,041,313             |
| Accrued interest payable                        | 2,007,956                  | 250,887                     | 2,258,843             |
| Developer and customer deposits                 | 1,281,473                  | -                           | 1,281,473             |
| Liabilities payable from restricted assets      | 2,018,876                  | -                           | 2,018,876             |
| Unearned revenue                                | 26,713,120                 | 633,492                     | 27,346,612            |
| Noncurrent liabilities:                         |                            |                             |                       |
| Debt - Due within one year                      | 7,751,138                  | 1,005,254                   | 8,756,392             |
| Debt - Due in more than one year                | 100,850,985                | 10,546,871                  | 111,397,856           |
| <b>Total Liabilities</b>                        | <b>150,356,310</b>         | <b>13,049,921</b>           | <b>163,406,231</b>    |
| <b>Net Assets:</b>                              |                            |                             |                       |
| Invested in capital assets, net of related debt | 252,035,611                | 6,745,381                   | 258,780,992           |
| Restricted for:                                 |                            |                             |                       |
| Debt Service                                    | 8,696,821                  | -                           | 8,696,821             |
| Future development                              | 8,638,751                  | -                           | 8,638,751             |
| Other   | 2,886,739                  | -                           | 2,886,739             |
| Unrestricted                                    | 30,435,939                 | 2,012,992                   | 32,448,931            |
| <b>Total Net Assets</b>                         | <b>302,693,861</b>         | <b>8,758,373</b>            | <b>311,452,234</b>    |
| <b>Total Liabilities and Net Assets</b>         | <b>\$ 453,050,171</b>      | <b>\$ 21,808,294</b>        | <b>\$ 474,858,465</b> |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2009**

| Functions/Programs                    | Program Revenues     |                         |  | Net (Expense) Revenue and<br>Changes in Net Assets |                            |                             |                     |
|---------------------------------------|----------------------|-------------------------|--|--|----------------------------|-----------------------------|---------------------|
|                                       | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions     | Capital<br>Grants and<br>Contributions             | Governmental<br>Activities | Business-type<br>Activities | Total               |
| <b>Government Activities:</b>         |                      |                         |  |  |                            |                             |                     |
| General government                    | \$ 14,647,184        | \$ 2,790,821            | \$ 56,454                                    | \$ -   | \$ (11,799,909)            | \$ -                        | \$ (11,799,909)     |
| Public safety                         | 30,799,097           | 4,467,168               | 965,023                                      | -  | (25,366,906)               | -                           | (25,366,906)        |
| Highway and public improvements       | 15,475,919           | 9,311,098               | 3,517,470                                    | 12,289,359   | 9,642,008                  | -                           | 9,642,008           |
| Parks and recreation                  | 12,441,389           | 7,814,261               | -  | 639,672  | (3,987,456)                | -                           | (3,987,456)         |
| Community development                 | 7,841,988            | 2,429,417               | 1,590,798                                    | -  | (3,821,773)                | -                           | (3,821,773)         |
| Interest on long-term debt            | 4,996,711            | -                       | -  | -  | (4,996,711)                | -                           | (4,996,711)         |
| <b>Total Governmental Activities</b>  | <b>86,202,288</b>    | <b>26,812,765</b>       | <b>6,129,745</b>                             | <b>12,929,031</b>                                  | <b>(40,330,747)</b>        | <b>-</b>                    | <b>(40,330,747)</b> |
| <b>Business-type Activities:</b>      |                      |                         |  |  |                            |                             |                     |
| Golf courses                          | 3,888,337            | 2,809,684               | -  | -  | -                          | (1,078,653)                 | (1,078,653)         |
| Housing authority                     | 3,591,190            | 197,517                 | 3,265,560                                    | -  | -                          | (128,113)                   | (128,113)           |
| Ambulance                             | 1,796,312            | 1,676,047               | -  | -  | -                          | (120,265)                   | (120,265)           |
| <b>Total Business-type Activities</b> | <b>9,275,839</b>     | <b>4,683,248</b>        | <b>3,265,560</b>                             | <b>-</b>   | <b>-</b>                   | <b>(1,327,031)</b>          | <b>(1,327,031)</b>  |
| <b>Total Government</b>               | <b>\$ 95,478,127</b> | <b>\$ 31,496,013</b>    | <b>\$ 9,395,305</b>                          | <b>\$ 12,929,031</b>                               | <b>(40,330,747)</b>        | <b>(1,327,031)</b>          | <b>(41,657,778)</b> |
| General Revenues:                     |                      |                         |  |  |                            |                             |                     |
|                                       |                      |                         | Property taxes                               |  | 28,015,516                 | -                           | 28,015,516          |
|                                       |                      |                         | Sales taxes                                  |  | 19,120,182                 | -                           | 19,120,182          |
|                                       |                      |                         | Franchise taxes                              |  | 9,299,207                  | -                           | 9,299,207           |
|                                       |                      |                         | Other taxes                                  |  | 155,167                    | -                           | 155,167             |
|                                       |                      |                         | Unrestricted investment earnings             |  | 774,332                    | 10,253                      | 784,585             |
|                                       |                      |                         | Gain (loss) on disposition of capital assets |  | 321,054                    | (4,116)                     | 316,938             |
|                                       |                      |                         | Other revenues                               |  | 2,136,542                  | -                           | 2,136,542           |
|                                       |                      |                         | Transfers                                    |  | (1,799,525)                | 1,799,525                   | -                   |
|                                       |                      |                         | Total General Revenues, Transfers            |  | 58,022,475                 | 1,805,662                   | 59,828,137          |
|                                       |                      |                         | Changes in Net Assets                        |  | 17,691,728                 | 478,631                     | 18,170,359          |
|                                       |                      |                         | Net Assets, Beginning                        |  | 285,002,133                | 8,279,742                   | 293,281,875         |
|                                       |                      |                         | Net Assets, Ending                           |  | \$ 302,693,861             | \$ 8,758,373                | \$ 311,452,234      |

The notes to the basic financial statements are an integral part of this statement.



**WEST VALLEY CITY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2009**

|   | General              | Capital<br>Projects  | Redevelopment<br>Agency | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------|-------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>                                 |                      |                      |                         |                                |                                |
| Cash and cash equivalents                     | \$ 7,409,077         | \$ 10,669,044        | \$ 3,172,240            | \$ 10,068,280                  | \$ 31,318,641                  |
| Receivables:                                  |                      |                      |                         |                                |                                |
| Accounts, net                                 | 1,457,907            | 658                  | -                       | 948,254                        | 2,406,819                      |
| Taxes   | 22,007,804           | -                    | 5,684,500               | -                              | 27,692,304                     |
| Intergovernmental                             | 3,008,469            | -                    | -                       | 697,988                        | 3,706,457                      |
| Loan receivables                              | -                    | -                    | -                       | 618,605                        | 618,605                        |
| Prepays                                       | -                    | -                    | -                       | 10,808                         | 10,808                         |
| Due from other funds                          | 6,184,883            | -                    | 4,158,582               | -                              | 10,343,465                     |
| Note receivable                               | 4,600,000            | -                    | -                       | -                              | 4,600,000                      |
| Inventory                                     | 394,648              | -                    | -                       | -                              | 394,648                        |
| Land held for resale                          | -                    | -                    | 7,667,346               | -                              | 7,667,346                      |
| Restricted assets:                            |                      |                      |                         |                                |                                |
| Cash and cash equivalents                     | 4,735,360            | 6,548,708            | 2,189,368               | 6,534,591                      | 20,008,027                     |
| Intergovernmental receivable                  | 768,308              | -                    | -                       | -                              | 768,308                        |
| <b>Total Assets</b>                           | <b>\$ 50,566,456</b> | <b>\$ 17,218,410</b> | <b>\$ 22,872,036</b>    | <b>\$ 18,878,526</b>           | <b>\$ 109,535,428</b>          |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>      |                      |                      |                         |                                |                                |
| <b>Liabilities:</b>                           |                      |                      |                         |                                |                                |
| Accounts payable                              | \$ 593,932           | \$ -                 | \$ 91,283               | \$ 483,107                     | \$ 1,168,322                   |
| Accrued liabilities                           | 6,201,847            | -                    | 31,383                  | 2,268,219                      | 8,501,449                      |
| Developer and customer deposits               | 1,281,473            | -                    | -                       | -                              | 1,281,473                      |
| Due to other funds                            | -                    | 1,267,245            | 3,990,835               | 5,085,385                      | 10,343,465                     |
| Deferred revenue                              | 24,963,705           | 19,200               | 5,693,400               | 681,591                        | 31,357,896                     |
| Notes payable                                 | -                    | -                    | -                       | 4,600,000                      | 4,600,000                      |
| Liabilities payable from<br>restricted assets | 531,261              | 1,476,097            | -                       | 11,519                         | 2,018,877                      |
| <b>Total Liabilities</b>                      | <b>33,572,218</b>    | <b>2,762,542</b>     | <b>9,806,901</b>        | <b>13,129,821</b>              | <b>59,271,482</b>              |
| <b>Fund Balances:</b>                         |                      |                      |                         |                                |                                |
| Reserved for:                                 |                      |                      |                         |                                |                                |
| Debt service                                  | 3,053,840            | -                    | 2,189,368               | 3,451,613                      | 8,694,821                      |
| Future development                            | 1,907,323            | 6,548,708            | -                       | 3,069,459                      | 11,525,490                     |
| Long-term note receivable                     | 4,600,000            | -                    | -                       | -                              | 4,600,000                      |
| Prepaid items                                 | -                    | -                    | -                       | 10,808                         | 10,808                         |
| Inventory                                     | 394,648              | -                    | -                       | -                              | 394,648                        |
| Land held for resale                          | -                    | -                    | 7,667,346               | -                              | 7,667,346                      |
| Unreserved, reported in:                      |                      |                      |                         |                                |                                |
| General fund                                  | 7,038,427            | -                    | -                       | -                              | 7,038,427                      |
| Special revenue funds                         | -                    | -                    | 3,208,421               | (783,175)                      | 2,425,246                      |
| Capital projects fund                         | -                    | 7,907,160            | -                       | -                              | 7,907,160                      |
| <b>Total Fund Balances</b>                    | <b>16,994,238</b>    | <b>14,455,868</b>    | <b>13,065,135</b>       | <b>5,748,705</b>               | <b>50,263,946</b>              |
| <b>Total Liabilities and Fund Balances</b>    | <b>\$ 50,566,456</b> | <b>\$ 17,218,410</b> | <b>\$ 22,872,036</b>    | <b>\$ 18,878,526</b>           | <b>\$ 109,535,428</b>          |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET ASSETS**  
**June 30, 2009**

|   |                              |
|---|------------------------------|
| <b>Total Fund Balance - Governmental Funds</b>  | \$ 50,263,946                |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   | 357,155,869                  |
| Deferred revenues on the Governmental Funds - Balance Sheet that are accounted for as net assets, long term liabilities, and interest income on the Statement of Net Assets         | 4,581,786                    |
| Interest expense is not due and payable in the current period and therefore is not recorded in the funds.   | (2,007,956)                  |
| Long-term liabilities, including bonds, capital leases, notes, and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. | (108,602,123)                |
| Deferred charges, for long term debt are not financial resources and, therefore, are not reported in the funds.   | <u>1,302,339</u>             |
| <b>Total Net Assets - Governmental Activities</b>   | <u><u>\$ 302,693,861</u></u> |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2009**

|  | General              | Capital<br>Projects  | Redevelopment<br>Agency | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                      |                      |                         |                                |                                |
| Taxes  | \$ 50,069,901        | \$ -                 | \$ 6,094,958            | \$ 270,046                     | \$ 56,434,905                  |
| Fees and passes  | -                    | -                    | -                       | 11,867,394                     | 11,867,394                     |
| Licenses and permits   | 3,691,344            | -                    | -                       | -                              | 3,691,344                      |
| Intergovernmental  | 5,757,171            | -                    | -                       | 2,612,275                      | 8,369,446                      |
| Fines and forfeitures  | 3,829,389            | -                    | -                       | -                              | 3,829,389                      |
| Charges for services   | 870,358              | -                    | -                       | -                              | 870,358                        |
| Rental income  | -                    | -                    | -                       | 4,325,119                      | 4,325,119                      |
| Interest   | 858,334              | 106,149              | 168,728                 | 94,199                         | 1,227,410                      |
| Special assessments  | 256,512              | -                    | -                       | -                              | 256,512                        |
| Miscellaneous  | 1,156,758            | 67,622               | 351,373                 | 427,098                        | 2,002,851                      |
| <b>Total Revenues</b>  | <b>66,489,767</b>    | <b>173,771</b>       | <b>6,615,059</b>        | <b>19,596,131</b>              | <b>92,874,728</b>              |
| <b>Expenditures:</b>   |                      |                      |                         |                                |                                |
| Current:   |                      |                      |                         |                                |                                |
| General government   | 12,616,696           | -                    | -                       | 56,454                         | 12,673,150                     |
| Public safety  | 28,420,873           | -                    | -                       | 965,023                        | 29,385,896                     |
| Highways and public<br>improvements                                  | 8,360,997            | -                    | -                       | 7,044,403                      | 15,405,400                     |
| Parks and recreation   | 1,625,855            | -                    | -                       | 9,413,381                      | 11,039,236                     |
| Community development  | 3,551,711            | -                    | -                       | 1,308,629                      | 4,860,340                      |
| Other nondepartmental  | 941,979              | -                    | -                       | -                              | 941,979                        |
| Redevelopment Agency   | -                    | -                    | 2,905,588               | -                              | 2,905,588                      |
| Debt service:  |                      |                      |                         |                                |                                |
| Principal  | 1,490,322            | 865,194              | -                       | 3,648,700                      | 6,004,216                      |
| Interest   | 1,330,719            | 117,424              | 903,789                 | 2,823,924                      | 5,175,856                      |
| Bond issuance costs  | 196,185              | -                    | 166,853                 | 24,204                         | 387,242                        |
| Capital outlay   | 1,671,852            | 5,334,670            | -                       | 2,038,769                      | 9,045,291                      |
| <b>Total Expenditures</b>  | <b>60,207,189</b>    | <b>6,317,288</b>     | <b>3,976,230</b>        | <b>27,323,487</b>              | <b>97,824,194</b>              |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>6,282,578</b>     | <b>(6,143,517)</b>   | <b>2,638,829</b>        | <b>(7,727,356)</b>             | <b>(4,949,466)</b>             |
| <b>Other Financing Sources (Uses):</b>                               |                      |                      |                         |                                |                                |
| Capital leases issued  | 844,578              | -                    | -                       | 1,181,761                      | 2,026,339                      |
| Revenue bonds issued   | 7,900,000            | -                    | 6,050,000               | -                              | 13,950,000                     |
| Premium on revenue bonds issued                                      | 48,900               | -                    | -                       | -                              | 48,900                         |
| Transfers in   | 3,362,316            | 10,792,320           | -                       | 13,163,602                     | 27,318,238                     |
| Transfers out  | (20,851,642)         | (1,112,671)          | (1,840,801)             | (5,312,649)                    | (29,117,763)                   |
| Sale of capital assets   | 1,957,086            | 28,301               | -                       | 65,000                         | 2,050,387                      |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <b>(6,738,762)</b>   | <b>9,707,950</b>     | <b>4,209,199</b>        | <b>9,097,714</b>               | <b>16,276,101</b>              |
| <b>Net Change in Fund Balances</b>                                   | <b>(456,184)</b>     | <b>3,564,433</b>     | <b>6,848,028</b>        | <b>1,370,358</b>               | <b>11,326,635</b>              |
| <b>Fund Balances, Beginning</b>                                      | <b>17,450,422</b>    | <b>10,891,435</b>    | <b>6,217,107</b>        | <b>4,378,347</b>               | <b>38,937,311</b>              |
| <b>Fund Balances, Ending</b>   | <b>\$ 16,994,238</b> | <b>\$ 14,455,868</b> | <b>\$ 13,065,135</b>    | <b>\$ 5,748,705</b>            | <b>\$ 50,263,946</b>           |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2009**

**Amounts reported for governmental activities in the statement of activities are different because:**

|  |                             |
|--|-----------------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>  | <b>\$ 11,326,635</b>        |
| Governmental funds have reported capital outlays, past and present, as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | (6,185,689)                 |
| Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Assets.  | 24,285,979                  |
| Government funds report the proceeds from the disposal of capital assets, while the Statement of Activities does not report these proceeds.  | (1,156,010)                 |
| The Statement of Activities report the gain or loss on the disposal of capital assets, while the governmental funds do not report gains or losses.   | (573,323)                   |
| Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.   | 5,998,905                   |
| In the Statement of Activities interest is accrued on noncurrent liabilities, whereas in governmental funds, an interest expense is reported when due.   | (197,568)                   |
| Net proceeds from issuance of noncurrent liabilities is recorded as income in the governmental funds. However, the issuance of noncurrent liabilities is recorded as a liability in the Statement of Net Assets.                           | (15,662,741)                |
| Disbursements and repayments of housing loans are accounted for as revenues and expenditures, respectively, in the government funds, and they are not recorded as revenues or expenses for the Statement of Activities.                    | (31,589)                    |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.  | (112,871)                   |
| <b>Change in Net Assets - Governmental Activities</b>  | <b><u>\$ 17,691,728</u></b> |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For The Year Ended June 30, 2009**

|  | Budgeted Amounts     |                      | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
|  | Original             | Final                |                      |                               |
| <b>Revenues:</b>   |                      |                      |                      |                               |
| Taxes  | \$ 54,591,347        | \$ 54,591,347        | \$ 50,069,901        | \$ (4,521,446)                |
| Licenses and permits   | 3,216,150            | 3,243,198            | 3,691,344            | 448,146                       |
| Intergovernmental  | 3,901,374            | 3,901,374            | 5,757,171            | 1,855,797                     |
| Fines and forfeitures  | 3,772,510            | 4,116,207            | 3,829,389            | (286,818)                     |
| Charges for services   | 685,227              | 685,227              | 870,358              | 185,131                       |
| Interest   | 1,051,158            | 1,051,158            | 858,334              | (192,824)                     |
| Special assessments  | 246,874              | 246,874              | 256,512              | 9,638                         |
| Miscellaneous  | 401,754              | 2,729,865            | 1,156,758            | (1,573,107)                   |
| <b>Total Revenues</b>  | <b>67,866,394</b>    | <b>70,565,250</b>    | <b>66,489,767</b>    | <b>(4,075,483)</b>            |
| <b>Expenditures:</b>   |                      |                      |                      |                               |
| Current:   |                      |                      |                      |                               |
| General government:  |                      |                      |                      |                               |
| Legislative  | 791,400              | 787,367              | 547,713              | 239,654                       |
| Administrative   | 6,994,770            | 7,504,576            | 7,470,635            | 33,941                        |
| Legal  | 3,091,253            | 3,134,463            | 2,801,851            | 332,612                       |
| Finance  | 1,641,597            | 1,654,351            | 1,442,777            | 211,574                       |
| Nondepartmental  | 356,000              | 356,000              | 364,950              | (8,950)                       |
| Public Safety:   |                      |                      |                      |                               |
| Police   | 20,129,861           | 20,780,091           | 20,371,002           | 409,089                       |
| Fire   | 8,725,438            | 8,805,958            | 8,057,871            | 748,087                       |
| Highways and public improvements                                     | 8,959,680            | 10,164,935           | 8,458,579            | 1,706,356                     |
| Parks and recreation   | 1,753,046            | 1,729,305            | 1,625,855            | 103,450                       |
| Community development  | 3,705,525            | 3,978,512            | 3,551,711            | 426,801                       |
| Other nondepartmental  | 1,941,362            | 5,350,995            | 2,497,019            | 2,853,976                     |
| Debt service:  |                      |                      |                      |                               |
| Principal  | 1,862,369            | 1,825,869            | 1,490,322            | 335,547                       |
| Interest   | 1,667,955            | 1,668,698            | 1,330,719            | 337,979                       |
| Bond fees  | 50,000               | 173,874              | 196,185              | (22,311)                      |
| <b>Total Expenditures</b>  | <b>61,670,256</b>    | <b>67,914,994</b>    | <b>60,207,189</b>    | <b>7,707,805</b>              |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>6,196,138</b>     | <b>2,650,256</b>     | <b>6,282,578</b>     | <b>3,632,322</b>              |
| <b>Other Financing Sources (Uses):</b>                               |                      |                      |                      |                               |
| Revenue bonds and capital leases issued                              | -                    | 6,823,234            | 8,793,478            | 1,970,244                     |
| Transfers in   | -                    | 4,100,273            | 3,362,316            | (737,957)                     |
| Transfers out  | (12,574,920)         | (18,990,467)         | (20,851,642)         | (1,861,175)                   |
| Sale of capital assets   | 200,000              | 261,541              | 1,957,086            | 1,695,545                     |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(12,374,920)</b>  | <b>(7,805,419)</b>   | <b>(6,738,762)</b>   | <b>1,066,657</b>              |
| <b>Net Change in Fund Balances</b>                                   | <b>(6,178,782)</b>   | <b>(5,155,163)</b>   | <b>(456,184)</b>     | <b>4,698,979</b>              |
| <b>Fund Balances, Beginning</b>                                      | <b>17,450,422</b>    | <b>17,450,422</b>    | <b>17,450,422</b>    | <b>-</b>                      |
| <b>Fund Balances, Ending</b>   | <b>\$ 11,271,640</b> | <b>\$ 12,295,259</b> | <b>\$ 16,994,238</b> | <b>\$ 4,698,979</b>           |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT AGENCY**  
**SPECIAL REVENUE FUND**  
**For The Year Ended June 30, 2009**

|  | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|---------------------|---------------------|----------------------|-------------------------------|
|  | Original            | Final               |                      |                               |
| <b>Revenues:</b>   |                     |                     |                      |                               |
| Taxes  | \$ 8,704,714        | \$ 9,068,185        | \$ 6,094,958         | \$ (2,973,227)                |
| Interest   | 200,000             | 200,000             | 168,728              | (31,272)                      |
| Miscellaneous  | -                   | -                   | 351,373              | 351,373                       |
| <b>Total Revenues</b>  | <u>8,904,714</u>    | <u>9,268,185</u>    | <u>6,615,059</u>     | <u>(2,653,126)</u>            |
| <b>Expenditures:</b>   |                     |                     |                      |                               |
| Redevelopment agency   | 7,165,079           | 6,436,060           | 2,905,588            | 3,530,472                     |
| Debt service:  |                     |                     |                      |                               |
| Interest   | 598,833             | 837,304             | 903,789              | (66,485)                      |
| Bond issue costs   | -                   | 170,483             | 166,853              | 3,630                         |
| <b>Total Expenditures</b>  | <u>7,763,912</u>    | <u>7,443,847</u>    | <u>3,976,230</u>     | <u>3,467,617</u>              |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>1,140,802</u>    | <u>1,824,338</u>    | <u>2,638,829</u>     | <u>814,491</u>                |
| <b>Other Financing Sources (Uses):</b>                               |                     |                     |                      |                               |
| Revenue bonds issued   | -                   | -                   | 6,050,000            | 6,050,000                     |
| Transfers out  | (1,140,802)         | (1,840,802)         | (1,840,801)          | 1                             |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <u>(1,140,802)</u>  | <u>(1,840,802)</u>  | <u>4,209,199</u>     | <u>6,050,001</u>              |
| <b>Net Change in Fund Balances</b>                                   | <u>-</u>            | <u>(16,464)</u>     | <u>6,848,028</u>     | <u>6,864,492</u>              |
| <b>Fund Balances, Beginning</b>                                      | <u>6,217,107</u>    | <u>6,217,107</u>    | <u>6,217,107</u>     | <u>-</u>                      |
| <b>Fund Balances, Ending</b>   | <u>\$ 6,217,107</u> | <u>\$ 6,200,643</u> | <u>\$ 13,065,135</u> | <u>\$ 6,864,492</u>           |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF NET ASSETS – PROPRIETARY FUNDS**  
**June 30, 2009**

|   | Business-type Activities - Enterprise Funds |                            |                               |                      |
|---|---|----------------------------|-------------------------------|----------------------|
|   | West Ridge<br>Golf Course                   | Stonebridge<br>Golf Course | Other<br>Proprietary<br>Funds | Totals               |
| <b>Assets:</b>                                  |   |                            |                               |                      |
| <b>Current Assets:</b>                          |   |                            |                               |                      |
| Cash and cash equivalents                       | \$ 213,581                                  | \$ 244,664                 | \$ 1,436,965                  | \$ 1,895,210         |
| Accounts receivable, net                        | -   | 1,026                      | 954,155                       | 955,181              |
| Inventory                                       | 61,617                                      | 99,549                     | -                             | 161,166              |
| Due from other funds                            | -   | 1,426,999                  | 1,298,953                     | 2,725,952            |
| <b>Total Current Assets</b>                     | <u>275,198</u>                              | <u>1,772,238</u>           | <u>3,690,073</u>              | <u>5,737,509</u>     |
| <b>Noncurrent Assets:</b>                       |   |                            |                               |                      |
| Restricted cash and cash equivalents            | -   | 299,348                    | -                             | 299,348              |
| Deferred charges                                | 13,693                                      | 186,190                    | -                             | 199,883              |
| Capital assets net of accumulated depreciation: |   |                            |                               |                      |
| Land  | 6,904,868                                   | 5,866,212                  | 179,070                       | 12,950,150           |
| Buildings                                       | 560,990                                     | 1,804,688                  | 509,355                       | 2,875,033            |
| Improvements other than buildings               | 107,725                                     | 713,681                    | -                             | 821,406              |
| Machinery and equipment                         | 164,935                                     | 682,852                    | 803,130                       | 1,650,917            |
| <b>Total Noncurrent Assets</b>                  | <u>7,752,211</u>                            | <u>9,552,971</u>           | <u>1,491,555</u>              | <u>18,796,737</u>    |
| <b>Total Assets</b>                             | <u>\$ 8,027,409</u>                         | <u>\$ 11,325,209</u>       | <u>\$ 5,181,628</u>           | <u>\$ 24,534,246</u> |
| <b>Liabilities:</b>                             |   |                            |                               |                      |
| <b>Current Liabilities:</b>                     |   |                            |                               |                      |
| Accounts payable                                | \$ 35,371                                   | \$ 62,211                  | \$ 38,961                     | \$ 136,543           |
| Accrued liabilities                             | 95,397                                      | 112,292                    | 269,185                       | 476,874              |
| Accrued interest payable                        | 9,692                                       | 241,195                    | -                             | 250,887              |
| Bonds Payable, net                              | 561,518                                     | 273,200                    | 20,000                        | 854,718              |
| Capital Lease                                   | -   | -                          | 150,536                       | 150,536              |
| Due to other funds                              | -   | 1,298,953                  | 1,426,999                     | 2,725,952            |
| Deferred revenue                                | -   | -                          | 633,492                       | 633,492              |
| <b>Total Current Liabilities</b>                | <u>701,978</u>                              | <u>1,987,851</u>           | <u>2,539,173</u>              | <u>5,229,002</u>     |
| <b>Noncurrent Liability:</b>                    |   |                            |                               |                      |
| Bonds Payable, net                              | -   | 10,483,871                 | 63,000                        | 10,546,871           |
| <b>Total Noncurrent Liability</b>               | <u>-</u>                                    | <u>10,483,871</u>          | <u>63,000</u>                 | <u>10,546,871</u>    |
| <b>Total Liabilities</b>                        | <u>701,978</u>                              | <u>12,471,722</u>          | <u>2,602,173</u>              | <u>15,775,873</u>    |
| <b>Net Assets:</b>                              |   |                            |                               |                      |
| Invested in capital assets, net of related debt | 7,177,000                                   | (1,689,638)                | 1,258,019                     | 6,745,381            |
| Unrestricted                                    | 148,431                                     | 543,125                    | 1,321,436                     | 2,012,992            |
| <b>Total Net Assets</b>                         | <u>7,325,431</u>                            | <u>(1,146,513)</u>         | <u>2,579,455</u>              | <u>8,758,373</u>     |
| <b>Total Liabilities and Net Assets</b>         | <u>\$ 8,027,409</u>                         | <u>\$ 11,325,209</u>       | <u>\$ 5,181,628</u>           | <u>\$ 24,534,246</u> |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2009**

|  | Business-type Activities - Enterprise Funds |                            |                               |                     |
|--|---|----------------------------|-------------------------------|---------------------|
|  | West Ridge<br>Golf Course                   | Stonebridge<br>Golf Course | Other<br>Proprietary<br>Funds | Totals              |
| <b>Operating Revenues:</b>                 |   |                            |                               |                     |
| Administration and lesson fees             | \$ 548,873                                  | \$ 709,603                 | \$ -                          | \$ 1,258,476        |
| Ambulance fees                             | -   | -                          | 1,676,047                     | 1,676,047           |
| Equipment and facility rental              | 257,293                                     | 273,853                    | 74,614                        | 605,760             |
| Concession and merchandise sales           | 373,127                                     | 642,935                    | -                             | 1,016,062           |
| Miscellaneous                              | 4,000                                       | -                          | 122,902                       | 126,902             |
| <b>Total Operating Revenues</b>            | <b>1,183,293</b>                            | <b>1,626,391</b>           | <b>1,873,563</b>              | <b>4,683,247</b>    |
| <b>Operating Expenses:</b>                 |   |                            |                               |                     |
| Golf course cost of sales                  | 174,722                                     | 269,499                    | -                             | 444,221             |
| Golf course operations                     | 356,775                                     | 421,753                    | -                             | 778,528             |
| Golf course maintenance                    | 580,649                                     | 564,946                    | -                             | 1,145,595           |
| Golf course general expense                | 178,945                                     | 250,659                    | -                             | 429,604             |
| General and administrative                 | -   | -                          | 2,328,365                     | 2,328,365           |
| Housing Payments                           | -   | -                          | 2,870,802                     | 2,870,802           |
| Depreciation                               | 123,323                                     | 382,631                    | 171,241                       | 677,195             |
| <b>Total Operating Expenses</b>            | <b>1,414,414</b>                            | <b>1,889,488</b>           | <b>5,370,408</b>              | <b>8,674,310</b>    |
| <b>Operating Income (Loss)</b>             | <b>(231,121)</b>                            | <b>(263,097)</b>           | <b>(3,496,845)</b>            | <b>(3,991,063)</b>  |
| <b>Nonoperating Income (Expense):</b>      |   |                            |                               |                     |
| Intergovernmental revenue                  | -   | -                          | 3,265,560                     | 3,265,560           |
| Interest income                            | -   | 3,010                      | 7,243                         | 10,253              |
| Interest expense                           | (40,020)                                    | (544,415)                  | (17,093)                      | (601,528)           |
| Gain (loss) on sale of capital assets      | (4,116)                                     | -                          | -                             | (4,116)             |
| <b>Total Nonoperating Income (Expense)</b> | <b>(44,136)</b>                             | <b>(541,405)</b>           | <b>3,255,710</b>              | <b>2,670,169</b>    |
| <b>Income (Loss) Before Transfers</b>      | <b>(275,257)</b>                            | <b>(804,502)</b>           | <b>(241,135)</b>              | <b>(1,320,894)</b>  |
| <b>Transfers in</b>                        | <b>714,035</b>                              | <b>1,082,040</b>           | <b>3,450</b>                  | <b>1,799,525</b>    |
| <b>Changes in Net Assets</b>               | <b>438,778</b>                              | <b>277,538</b>             | <b>(237,685)</b>              | <b>478,631</b>      |
| <b>Net Assets, Beginning</b>               | <b>6,886,653</b>                            | <b>(1,424,051)</b>         | <b>2,817,140</b>              | <b>8,279,742</b>    |
| <b>Net Assets, Ending</b>                  | <b>\$ 7,325,431</b>                         | <b>\$ (1,146,513)</b>      | <b>\$ 2,579,455</b>           | <b>\$ 8,758,373</b> |

The notes to the basic financial statements are an integral part of this statement.



**WEST VALLEY CITY**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2009**

|  | Business-type Activities - Enterprise Funds |                            |                               |                     |
|--|---|----------------------------|-------------------------------|---------------------|
|  | West Ridge<br>Golf Course                   | Stonebridge<br>Golf Course | Other<br>Proprietary<br>Funds | Totals              |
| <b>Cash Flows From Operating Activities:</b>                     |   |                            |                               |                     |
| Receipts from customers and users                                | \$ 1,183,292                                | \$ 1,626,391               | \$ 1,702,799                  | \$ 4,512,482        |
| Payments to suppliers  | (626,044)                                   | (710,381)                  | (3,525,398)                   | (4,861,823)         |
| Payments to employees and related benefits                       | (676,468)                                   | (790,057)                  | (1,605,375)                   | (3,071,900)         |
| <b>Net cash from operating activities</b>                        | <b>(119,220)</b>                            | <b>125,953</b>             | <b>(3,427,974)</b>            | <b>(3,421,241)</b>  |
| <b>Cash Flows From Capital and Related Financing Activities:</b> |   |                            |                               |                     |
| Purchase of equipment/improvements                               | (103,240)                                   | (135,756)                  | (163,624)                     | (402,620)           |
| Principal paid on bonds and capital lease                        | (534,300)                                   | (250,250)                  | (312,177)                     | (1,096,727)         |
| Interest paid on bonds and capital lease                         | (38,083)                                    | (487,707)                  | (17,093)                      | (542,883)           |
| <b>Net cash from capital and related financing activities</b>    | <b>(675,623)</b>                            | <b>(873,713)</b>           | <b>(492,894)</b>              | <b>(2,042,230)</b>  |
| <b>Cash Flows From Non-Capital Financing Activities:</b>         |   |                            |                               |                     |
| Subsidy from federal grants                                      | -   | -                          | 3,007,381                     | 3,007,381           |
| Advances to other funds  | -   | (1,426,999)                | (14,161)                      | (1,441,160)         |
| Advances from other funds  | -   | -                          | 606,552                       | 606,552             |
| Transfers from other funds                                       | 714,035                                     | 1,082,040                  | 3,450                         | 1,799,525           |
| Transfers to other funds   | -   | -                          | -                             | -                   |
| <b>Net cash from non-capital financing activities</b>            | <b>714,035</b>                              | <b>(344,959)</b>           | <b>3,603,222</b>              | <b>3,972,298</b>    |
| <b>Cash Flows From Investing Activity:</b>                       |   |                            |                               |                     |
| Interest on investments  | -   | 3,011                      | 7,243                         | 10,254              |
| <b>Net cash from investing activity</b>                          | <b>-</b>                                    | <b>3,011</b>               | <b>7,243</b>                  | <b>10,254</b>       |
| <b>Net Increase (Decrease) In Cash</b>                           | <b>(80,808)</b>                             | <b>(1,089,708)</b>         | <b>(310,403)</b>              | <b>(1,480,919)</b>  |
| <b>Cash and Cash Equivalents At Beginning Of Year</b>            | <b>294,389</b>                              | <b>1,633,720</b>           | <b>1,747,368</b>              | <b>3,675,477</b>    |
| <b>Cash and Cash Equivalents At End Of Year</b>                  | <b>\$ 213,581</b>                           | <b>\$ 544,012</b>          | <b>\$ 1,436,965</b>           | <b>\$ 2,194,558</b> |

The notes to the basic financial statements are an integral part of this statement.

**WEST VALLEY CITY**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)**  
**For The Year Ended June 30, 2009**

|   | Business-type Activities - Enterprise Funds |                            |                               |                       |
|---|---|----------------------------|-------------------------------|-----------------------|
|   | West Ridge<br>Golf Course                   | Stonebridge<br>Golf Course | Other<br>Proprietary<br>Funds | Totals                |
| <b>Reconciliation of operating income (loss) to<br/>net cash flows from operating activities:</b> |   |                            |                               |                       |
| Operating income (loss)   | \$ (231,121)                                | \$ (263,097)               | \$ (3,496,845)                | \$ (3,991,063)        |
| Adjustments to reconcile operating income (loss)<br>to net cash flows from operating activities:  |   |                            |                               |                       |
| Depreciation expense  | 123,323                                     | 382,631                    | 171,241                       | 677,195               |
| (Increase) Decrease in accounts receivables   | -   | -                          | (170,764)                     | (170,764)             |
| (Increase) Decrease in inventory  | (15,670)                                    | (15,662)                   | -                             | (31,332)              |
| Increase (Decrease) in accounts payable   | (9)   | 19,373                     | (216)                         | 19,148                |
| Increase (Decrease) in accrued liabilities  | 4,257                                       | 2,708                      | 68,610                        | 75,575                |
| <b>Net cash from operating activities</b>   | <u>\$ (119,220)</u>                         | <u>\$ 125,953</u>          | <u>\$ (3,427,974)</u>         | <u>\$ (3,421,241)</u> |

The notes to the basic financial statements are an integral part of this statement.

## WEST VALLEY CITY NOTES TO FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Valley City (the City) was incorporated on July 1, 1980 under the provisions of the State of Utah and operates under a mayor-council form of government and provides services as authorized by its charter.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, and has chosen to do so. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

#### (A) The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB 14 pronouncement.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations. The following are the City's blended component units:

The West Valley City Housing Authority (HA) was established to account for all monies received under the Section 8 Housing Assistance payments program and all monies received by the City under the Public Housing program. The HA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the HA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the HA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the HA have been included in the financial reporting entity as a blended component unit. The HA is included in these financial statements as the Housing Authority Enterprise Fund. Separate financial statements are not issued for the HA.

The West Valley City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

## WEST VALLEY CITY NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(A) The Reporting Entity (Continued)

The West Valley City Building Authority (BA) was established to finance and construct municipal buildings that are then leased to the City. The BA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the BA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the BA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the BA have been included in the financial reporting entity as a blended component unit. The BA is included in these financial statements as the Building Authority Special Revenue Fund. Separate financial statements are not issued for the BA.

(B) Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general administrative services, public safety, highways and streets, planning and engineering, parks, community development, impact fees, recreation, theater, the RDA and the BA are classified as governmental activities. The City's golf courses, ambulance service, and the HA are classified as business-type activities.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those which are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by Proprietary funds and Special Revenue funds)

The *Redevelopment Agency Fund*, a special revenue fund, was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City.

The City reports the following major proprietary funds:

The *West Ridge Golf Course Fund* and *Stonebridge Golf Course Fund* account for the activities of the City's golf courses.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Special revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for general and special revenue funds are identical. The City accounts for the Fitness Center Fund, Hale Theater Fund, E Center Fund, Sanitation Fund, Road Impact Fee Fund, Park Impact Fee Fund, Fire Impact Fee Fund, Police Impact Fee Fund, Flood Impact Fee Fund, Stormwater Drainage Fund, Cultural Celebration Center Fund, Grants Fund, and Building Authority Fund as special revenue funds.

Housing Authority Fund (an enterprise fund) accounts for the monies received under the Section 8 Housing Assistance and the Public Housing program.

Ambulance Fund (an enterprise fund) accounts for the monies received and paid to provide ambulance and emergency services to the citizens of West Valley City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers of the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(D) Budgetary Data

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(D) Budgetary Data (Continued)**

Utah State law prohibits the appropriation of unreserved General Fund balance until it exceeds 5% of the General Fund revenues. Until the unreserved fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. When an unreserved fund balance is greater than 18% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the total expenditures do not exceed the total expenditures per the adopted budget, in which case a public hearing must be held. With the consent of the city manager and finance director, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds and Capital Projects Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable or appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

**(E) Tax Revenues**

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Salt Lake County. Taxes are levied as of January 1 and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. Tax liens are placed on a property on the January 1 following the due date of unpaid taxes. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically.

**(F) Cash and Cash Equivalents**

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts.

Investments, in the form of accounts at the Utah Public Treasurer's Investment Trust (the State Treasurer's Pool), of the City are stated at cost, which approximates fair value.

# **WEST VALLEY CITY** **NOTES TO FINANCIAL STATEMENTS (Continued)**

## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### (G) Allowance for Doubtful Accounts

Management has estimated the allowance for uncollectibles for the Ambulance Fund receivable to be approximately \$510,000 which is estimated based on historical trends related to collections of accounts receivable.

The City considers all other receivables to be fully collectible; no allowance for doubtful accounts is required. Amounts that become uncollectible are written off.

### (H) Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

### (I) Inventories

Inventories are valued at cost, using the first-in first-out (FIFO) method. The costs of governmental fund-type inventories consist of supplies and are accounted for using the consumption method. Purchases are recorded as assets when purchased, then expended when consumed. The costs of proprietary fund-type inventories consist of merchandise and are also accounted for using the consumption method.

### (J) Restricted Assets

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### (K) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Amortization of capital assets acquired with a capital lease has been included in depreciation expense.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

| Assets                            | Years    |
|-----------------------------------|----------|
| Buildings                         | 10 to 40 |
| Infrastructure                    | 20 to 50 |
| Improvements other than buildings | 10 to 40 |
| Machinery and equipment           | 3 to 10  |
| Vehicles                          | 5 to 10  |
| Office equipment                  | 3 to 5   |



**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(K) Capital Assets (Continued)**

The City has adopted an allowable alternative to reporting depreciation for its transportation infrastructure network. Under this alternative method, referred to as the "modified approach", the City must maintain an asset management system and demonstrate that its transportation network is being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

**(L) Land Held for Resale**

Land acquired by the Redevelopment Agency and held for resale is accounted for as land held for resale. The cost of the land held for resale is capitalized until the land is sold.

**(M) Unearned Revenue**

Unearned revenue arises when resources are received by the City before it earned them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has earned the resources, the revenue is recognized.

**(N) Long-Term Obligations**

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**(O) Compensated Absences**

Paid Time Off leave (PTO) is accrued as earned, based on the years of service for each employee. PTO is to be used for all discretionary employee leave previously covered by vacation or sick leave. PTO is accumulated on a biweekly basis and is fully vested when earned. Accumulated PTO cannot exceed 300 hours (390 hours for firefighters) at the end of any calendar year. The City's policy allows employees to sell unused hours while maintaining a minimum of 40 hours at any time. At retirement, death, or termination in good standing, all accrued unpaid PTO is paid. Proprietary funds expense all accrued PTO amounts when incurred. Governmental funds report expenditures as PTO amounts become current. All of the PTO payable is considered current based on the City's policy to allow employees to receive cash for their PTO hours as explained above.

**(P) Fund equity**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(Q) Deficit fund balance / net assets**

At June 30, 2009, the following funds had deficit fund balances or net assets deficits: Fitness Center Fund in the amount of \$1,583,041, E-Center Fund in the amount of \$2,013,637, Cultural Celebration Center Fund in the amount of \$282,326, Stonebridge Golf Course Fund in the amount of \$1,146,513, and Ambulance Fund in the amount of \$329,295.

**(R) Interfund Transactions**

During the course of normal operations, the City has transactions between funds to subsidize operations in certain enterprise funds, to construct assets, to distribute grant proceeds, etc. These transactions are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

**(S) Estimates and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" which also includes cash accounts that are separately held by several of the City's funds.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 2 CASH AND INVESTMENTS (Continued)**

Investments – The City's investment policies are governed by State statutes. In addition, the City has its own written investment policies. City funds are invested only in the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of a qualified depository under "Deposits" above.) (2) Repurchase agreements with qualified depositories or certified dealers, acting as principal for securities of the United States Treasury or other authorized investments only if these securities are conducted with a qualified depository. (3) Commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poors, Inc., having a remaining terms to maturity of 270 days or less. Commercial paper can be purchased directly from the depository or the City Treasurer's safekeeping bank or trust company. (4) Banker's acceptance that is eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less. (5) Negotiable certificates of deposit of \$100,000 or more which have a remaining term to maturity of 365 days or less. (6) Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds. (7) The Utah State Treasurer's Investment Pool.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

Repurchase agreements are secured by uninsured, unregistered securities held by the counter party but not in the City's name. The City did not enter into any reverse repurchase agreements during the year. Bond deposits are held by an appointed trustee in accordance with the Bond Resolutions.

# **WEST VALLEY CITY** **NOTES TO FINANCIAL STATEMENTS (Continued)**

## **NOTE 2 CASH AND INVESTMENTS (Continued)**

Components of cash and investments (including interest earning deposits) at June 30, 2009 are as follows:

|  | Fair Value           | Carrying Amount      | Credit Rating (1) | Weighted Average Years to Maturity (2) |
|--|----------------------|----------------------|-------------------|--|
| Cash on hand and deposit:              |                      |                      |                   |  |
| Cash on Hand                           | \$ 9,000             | \$ 9,000             | N/A               | N/A                                    |
| Cash on Deposit                        | 11,056,963           | 11,056,963           | N/A               | N/A                                    |
| Total cash on hand and deposit         | <u>\$ 11,065,963</u> | <u>\$ 11,065,963</u> |                   |  |
| Investments (3):                       |                      |                      |                   |  |
| Utah State Treasurer's Investment Pool | \$ 33,565,027        | \$ 33,518,570        | N/A               | NA                                     |
| Bond Reserves                          |                      |                      |                   |  |
| Utah State Treasurer's Investment Pool | 7,340,847            | 7,330,687            | N/A               | N/A                                    |
| Bank Deposits                          | 1,606,006            | 1,606,006            | N/A               | N/A                                    |
| Total investments                      | <u>\$ 42,511,880</u> | <u>\$ 42,455,263</u> |                   |  |
| Total cash and cash equivalents        | <u>\$ 53,577,843</u> | <u>\$ 53,521,226</u> |                   |  |
| Portfolio weighted average maturity    |                      |                      |                   | N/A                                    |

- (1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable.  
(2) **Interest Rate Risk** is estimated using the weighted average days to maturity.  
(3) All investments are considered cash equivalents on the financial statements.

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

*Interest rate risk* is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City manages its exposure by investing in short term investments, or investments are matched with anticipated cash flows. The City's weighted average maturity for investments as of June 30, 2009 was less than one year. The City does not make investments with maturity dates longer than planned expenditures.

*Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the State statutes for investments and only invests in investments that are rated A, AA, or AAA by Standard & Poor's or comparable rating from other investor services, such as Moody's. The City also invests in the Utah Public Treasurer's Investment Fund. As of June 30, 2009, the Utah Public Treasurer's Investment Fund was unrated.

*Concentration of credit risk* is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's cash and investments are in the Utah State Treasurer's Investment Fund, qualified institutions, and U.S. Treasuries which are 76%, 21%, and 3% respectively of the total as of year end.

*Custodial credit risk – deposits* is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2009, \$4,409,669 of the City's \$4,806,587 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

# WEST VALLEY CITY

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 2 CASH AND INVESTMENTS (Continued)

*Custodial credit risk – investments* is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2009, \$0 of the City's \$42,455,263 in investments was exposed to custodial credit risk because it was uninsured and uncollateralized.

### NOTE 3 LOANS RECEIVABLE

Loans receivable consists of Grants Fund home rehabilitation loans made with Federal grant monies. These loans bear interest at rates ranging from 0% to 3%, depending on the borrower's income level and family size. Certain loans are received in monthly or annual installments; others are due upon the sale or transfer of ownership of the related party. At June 30, 2009, the outstanding balance of the loans is \$618,605. The loans are accounted for in the Grants Fund (Special Revenue Fund). In the fund financial statements, the loans are expensed at inception and revenues are recognized as payments are received by the City. Deferred revenue is recorded to offset the receivables until the payment is received.

### NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of "interfund balances" as of June 30, 2009 is as follows:

Due to/from other funds:

|                           | Receivable           | Payable              |
|---------------------------|----------------------|----------------------|
| Governmental Activities   |                      |                      |
| General Fund              | \$ 6,184,883         | \$ -                 |
| Capital Projects          | -                    | 1,267,245            |
| Redevelopment Agency      | 4,158,582            | 3,990,835            |
| Nonmajor government funds | -                    | 5,085,385            |
| Business-type Activities  |                      |                      |
| Stonebridge Golf Course   | 1,426,999            | 1,298,953            |
| Housing Authority         | 1,298,953            | -                    |
| Ambulance                 | -                    | 1,426,999            |
|                           | <u>\$ 13,069,417</u> | <u>\$ 13,069,417</u> |

The due to/from other funds are the result of individual funds' cash flow needs. These accounts at the fund financial statement level have been eliminated at the government-wide financial statement level (Statement of Net Assets).

The City has entered into loan agreements with the Redevelopment Agency whereby the City sold several parcels of land to the Redevelopment Agency in exchange for variable interest rate notes. The interest rate is the current rate paid by Utah's Public Treasurer's Investment Fund, plus 1%. The RDA owes the General fund \$3,990,835 as of June 30, 2009. The rate was 2.011% as of June 30, 2009. During 2009 the Redevelopment Agency paid interest of \$301,158 and repaid principal of \$0. The terms of the notes call for repayment of the note by the Redevelopment Agency with tax increment monies generated from land improvements. The repayment of the notes will come solely from the tax increment on the land improvements. In the event that the tax increment received by the Redevelopment Agency is not sufficient to repay the notes, the debt will be forgiven by the City. This interfund receivable/payable has been eliminated on the Statement of Net Assets.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)**

The City has made an agreement with the Building Authority (the BA) to facilitate the costs of constructing the E Center. The BA owes the General Fund \$4,600,000 as of June 30, 2009, under the terms of a note. The BA has committed to pay back all funds to the General Fund over 20 years at 0%, from the proceeds from bond issues and results of operations. For the years ended June 30, 2001 through 2009 the repayment terms were suspended and there were no payments. This interfund receivable/payable has been eliminated on the Statement of Net Assets.

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. The transfers among the funds for the year ended June 30, 2009 were as follows:

|                              | <u>Transfers In</u>  | <u>Transfers Out</u> |
|------------------------------|----------------------|----------------------|
| Governmental Activities      |                      |                      |
| General Fund                 | \$ 3,362,316         | \$ 20,851,642        |
| Capital Projects             | 10,792,320           | 1,112,671            |
| Redevelopment Agency         | -                    | 1,840,801            |
| Non major governmental funds | 13,163,602           | 5,312,649            |
| Business-type Activities     |                      |                      |
| West Ridge Golf Course       | 714,035              | -                    |
| Stonebridge Golf Course      | 1,082,040            | -                    |
| Ambulance                    | 3,450                | -                    |
|                              | <u>\$ 29,117,763</u> | <u>\$ 29,117,763</u> |

**NOTE 5 RESTRICTED ASSETS**

Certain assets are restricted to use as follows as of June 30, 2009:

|   |                      |
|---|----------------------|
| Governmental Activities   |                      |
| Restricted for bond proceeds, debt service<br>and repair and replace reserves | \$ 8,644,225         |
| Restricted for seized cash  | 462,253              |
| Restricted for future development   | 3,989,554            |
| Restricted for "C" road funds   | 1,729,607            |
| Restricted for impact fees  | 3,080,978            |
| Restricted for security of UTOPIA debt  | 2,869,718            |
| Total governmental activities   | <u>20,776,335</u>    |
| Business-type Activities  |                      |
| Restricted for bond proceeds, debt service<br>and repair and replace reserves | <u>299,348</u>       |
| Total business-type activities  | <u>299,348</u>       |
| Total restricted assets   | <u>\$ 21,075,683</u> |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2009, is as follows:

|   | Balance<br>June 30, 2008 | Additions            | Deletions             | Balance<br>June 30, 2009 |
|---|--------------------------|----------------------|-----------------------|--------------------------|
| <b>Governmental Activities:</b>             |                          |                      |                       |                          |
| Capital assets, not being depreciated:      |                          |                      |                       |                          |
| Land and collectibles                       | \$ 19,531,689            | \$ 72,619            | \$ (1,659,010)        | \$ 17,945,298            |
| Infrastructure                              | 194,152,343              | 9,408,179            | -                     | 203,560,522              |
| Construction in progress                    | 145,421                  | 4,089,449            | (3,276)               | 4,231,594                |
| Intangible assets                           | -                        | 599,672              | -                     | 599,672                  |
| Total capital assets, not being depreciated | 213,829,453              | 14,169,919           | (1,662,286)           | 226,337,086              |
| Capital assets, being depreciated:          |                          |                      |                       |                          |
| Infrastructure                              | 49,221,094               | 3,979,375            | -                     | 53,200,469               |
| Buildings                                   | 115,816,254              | 1,176,404            | -                     | 116,992,658              |
| Improvements other than buildings           | 678,148                  | 276,583              | -                     | 954,731                  |
| Machinery and equipment                     | 25,401,359               | 4,584,209            | (1,738,662)           | 28,246,906               |
| Furniture and fixtures                      | 643,382                  | 102,765              | (100,880)             | 645,267                  |
| Total capital assets, being depreciated     | 191,760,237              | 10,119,336           | (1,839,542)           | 200,040,031              |
| Less accumulated depreciation for:          |                          |                      |                       |                          |
| Infrastructure                              | (15,847,535)             | (1,127,490)          | -                     | (16,975,025)             |
| Buildings                                   | (28,264,218)             | (2,976,285)          | -                     | (31,240,503)             |
| Improvements other than buildings           | (114,693)                | (92,786)             | -                     | (207,479)                |
| Machinery and equipment                     | (20,014,778)             | (1,928,947)          | 1,668,339             | (20,275,386)             |
| Furniture and fixtures                      | (563,554)                | (60,181)             | 100,880               | (522,855)                |
| Total accumulated depreciation              | (64,804,778)             | (6,185,689)          | 1,769,219             | (69,221,248)             |
| Total capital assets being depreciated, net | 126,955,459              | 3,933,647            | (70,323)              | 130,818,783              |
| Governmental Activities capital assets, net | <u>\$ 340,784,912</u>    | <u>\$ 18,103,566</u> | <u>\$ (1,732,609)</u> | <u>\$ 357,155,869</u>    |

Depreciation expense was charged to functions/programs as follows:

|  |                     |
|--|---------------------|
| <b>Governmental Activities:</b>                      |                     |
| General government                                   | \$ 308,449          |
| Public safety  | 1,316,134           |
| Highways and public improvements                     | 1,818,844           |
| Parks and recreation                                 | 2,523,877           |
| Community development                                | 218,385             |
| Total depreciation expense - governmental activities | <u>\$ 6,185,689</u> |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 CAPITAL ASSETS (Continued)**

The Business-type Activities property, plant and equipment consist of the following at June 30, 2009:

|  | Balance<br>June 30, 2008 | Additions           | Deletions          | Balance<br>June 30, 2009 |
|--|--------------------------|---------------------|--------------------|--------------------------|
| <b>Business-type Activities:</b>             |                          |                     |                    |                          |
| Capital assets, not being depreciated:       |                          |                     |                    |                          |
| Land   | \$ 12,950,150            | \$ -                | \$ -               | \$ 12,950,150            |
| Construction in progress                     | 27,704                   | -                   | (27,704)           | -                        |
| Total capital assets, not being depreciated  | 12,977,854               | -                   | (27,704)           | 12,950,150               |
| Capital assets, being depreciated:           |                          |                     |                    |                          |
| Buildings                                    | 4,514,804                | -                   | -                  | 4,514,804                |
| Improvements other than buildings            | 1,635,869                | 166,121             | (20,579)           | 1,781,411                |
| Machinery and equipment                      | 3,821,588                | 264,202             | (37,329)           | 4,048,461                |
| Furniture and fixtures                       | 14,014                   | -                   | -                  | 14,014                   |
| Total capital assets, being depreciated      | 9,986,275                | 430,323             | (57,908)           | 10,358,690               |
| Less accumulated depreciation for:           |                          |                     |                    |                          |
| Buildings                                    | (1,523,749)              | (116,022)           | -                  | (1,639,771)              |
| Improvements other than buildings            | (879,396)                | (97,072)            | 16,463             | (960,005)                |
| Machinery and equipment                      | (1,970,772)              | (464,101)           | 37,329             | (2,397,544)              |
| Furniture and fixtures                       | (14,014)                 | -                   | -                  | (14,014)                 |
| Total accumulated depreciation               | (4,387,931)              | (677,195)           | 53,792             | (5,011,334)              |
| Total capital assets being depreciated, net  | 5,598,344                | (246,872)           | (4,116)            | 5,347,356                |
| Business-type Activities capital assets, net | <u>\$ 18,576,198</u>     | <u>\$ (246,872)</u> | <u>\$ (31,820)</u> | <u>\$ 18,297,506</u>     |

Depreciation expense was charged to functions/programs as follows:

|   |                   |
|---|-------------------|
| Business-type Activities                              |                   |
| Golf courses  | \$ 505,954        |
| Housing authority                                     | 34,229            |
| Ambulance   | 137,012           |
| Total depreciation expense - business-type activities | <u>\$ 677,195</u> |



**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 7 LAND HELD FOR RESALE**

Land acquired by the Redevelopment Agency of West Valley City (a Special Revenue fund) and held for resale is accounted for as land held for resale. The cost of land held for resale is capitalized until the land is sold. Land transferred from infrastructure assets of the City is recorded at approximate fair value for accountability purposes. If the Redevelopment Agency sells land at an amount greater than or less than the carrying amount, a gain/loss is recorded. In the governmental fund financial statements, the resulting gain/loss is accounted for as an other financing source/use, and recognized when measurable and available.

**NOTE 8 DEVELOPER AND CUSTOMER DEPOSITS**

Developer and customer deposits are principally deposits from developers that are held by the City until building projects receive the required City inspections and are in compliance with all City ordinances.

**NOTE 9 UNEARNED PROPERTY TAXES**

In conjunction with GASB pronouncement 33, "*Accounting and Financial Reporting for Nonexchange Transactions*" the City has accrued property tax receivable and an unearned property tax receivable in the General Fund and Redevelopment Agency in the amounts of \$21,313,251 and \$5,684,500, respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1, 2009 was not expected to be received within 60 days after the year ended June 30, 2009, the City was required to record a receivable and unearned revenue of the estimated amount of the total property tax to be levied on October 1, 2009.

**NOTE 10 LONG-TERM ACCRUED LIABILITIES**

The City has incurred liabilities in the normal course of business related to various lawsuits. These liabilities have been booked, as the underlying lawsuits are settled. The portion of these liabilities which are scheduled to be paid after the next calendar year have been recorded as noncurrent accrued liabilities on the statement of net assets.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2009:

|  | June 30,<br>2008 | Additions     | Retirements    | June 30,<br>2009 | Due Within<br>One Year |
|--|------------------|---------------|----------------|------------------|------------------------|
| <b>Governmental Activities:</b>                      |                  |               |                |                  |                        |
| Bonds payable:                                       |                  |               |                |                  |                        |
| Revenue bonds  | \$ 90,586,495    | \$ 13,950,000 | \$ (4,754,295) | \$ 99,782,200    | \$ 6,067,200           |
| Special improvement district bonds                   | 1,629,035        | -             | (174,499)      | 1,454,536        | 181,950                |
| Plus: unamortized premiums                           | 616,402          | 48,901        | (56,868)       | 608,435          | -                      |
| Less: deferred loss                                  | (1,606,937)      | -             | 111,915        | (1,495,022)      | -                      |
| Total bonds payable                                  | 91,224,995       | 13,998,901    | (4,873,747)    | 100,350,149      | 6,249,150              |
| Notes payable and capital leases:                    |                  |               |                |                  |                        |
| Notes payable  | 2,701,000        | -             | (138,000)      | 2,563,000        | 145,000                |
| Capital leases                                       | 3,298,460        | 2,026,339     | (932,111)      | 4,392,688        | 1,224,298              |
| Total notes payable and capital leases               | 5,999,460        | 2,026,339     | (1,070,111)    | 6,955,688        | 1,369,298              |
| Other liabilities:                                   |                  |               |                |                  |                        |
| Compensated absences                                 | 1,183,414        | 217,741       | (104,869)      | 1,296,286        | 132,690                |
| Total other liabilities                              | 1,183,414        | 217,741       | (104,869)      | 1,296,286        | 132,690                |
| Total Governmental activities long-term liabilities  | 98,407,869       | 16,242,981    | (6,048,727)    | 108,602,123      | 7,751,138              |
| <b>Business-type Activities:</b>                     |                  |               |                |                  |                        |
| Bonds payable:                                       |                  |               |                |                  |                        |
| Revenue bonds  | 12,742,662       | -             | (803,550)      | 11,939,112       | 854,718                |
| Plus: unamortized premiums                           | 101,145          | -             | (9,289)        | 91,856           | -                      |
| Less: unamortized discounts                          | (677,794)        | -             | 48,415         | (629,379)        | -                      |
| Total bonds payable                                  | 12,166,013       | -             | (764,424)      | 11,401,589       | 854,718                |
| Capital leases                                       | 443,713          | -             | (293,177)      | 150,536          | 150,536                |
| Total Business-type activities long-term liabilities | 12,609,726       | -             | (1,057,601)    | 11,552,125       | 1,005,254              |
| Total Liabilities                                    | \$ 111,017,595   | \$ 16,242,981 | \$ (7,106,328) | \$ 120,154,248   | \$ 8,756,392           |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

Building Authority Lease Revenue Bonds Series 1998A, original issue of \$22,740,000, principal due in annual installments beginning April 2000, interest at 3.7% to 4.75% due in semi-annual installments beginning April 1999, with the final payment due April 2019. The bonds were issued to refund the Building Authority Lease Revenue Bonds Series 1995 and to issue new debt to fund construction of the Fitness Center. Debt service payments will be funded by revenue from the Building Authority Fund. \$ 12,365,000

Building Authority Lease Revenue Bonds Series 2001, original issue of \$5,270,000, principal due in annual installments beginning January 2003, interest at 4.0% to 5.25% due in semi-annual installments beginning January 2002, with the final payment due January 2021. The bonds were issued to fund the building of a new fire station and public works building. Debt service payments will be made from the Building Authority Fund. 3,670,000

Sales Tax Revenue Bonds Series 2001A, original issue of \$18,310,000, principal due in annual installments beginning July 2003, interest at 3.5% to 5.5% due in semi-annual installments beginning January 2002, with the final payment due July 2021. The bonds were issued for the purchase and renovation of a Public Safety Building and the purchase of Stone Bridge Golf Course. Approximately 34.95% and 65.05% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. These bonds have been partially defeased using the proceeds of the Sales Tax Revenue Refunding Bonds Series 2006. The balance shown is 34.95% of the undefeased outstanding balance as of June 30, 2009, which is the portion attributable to governmental activities. As of June 30, 2009 the total defeased balance is \$13,005,000. 1,216,250

Building Authority Lease Revenue Refunding Bonds Series 2002A, original issue of \$35,810,000, principal due in annual installments beginning August 2003, interest at 2.0% to 5.5% due in semi-annual installments beginning February 2003, with the final payment due on August 2027. The bonds were issued to refund the Building Authority Taxable Lease Revenue Bonds Series 1996A. Debt payments will be funded by proceeds from the E Center's operations and transfers from the General Fund. As of June 30, 2009 the total defeased balance is \$27,715,000. 4,635,000

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

Sales Tax Revenue Tax Exempt Bonds Series 2002A, original issue of \$15,370,000, principal due in annual installments beginning July 2004, interest at 3.0% to 5.5% due in semi-annual installments beginning January 2003, with the final payment due July 2020. The bonds were issued to finance the costs of acquisition, construction, equipping and improvements of an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the E Center. Debt service payments will be made from the General Fund sales tax revenues.

\$ 13,855,000

Sales Tax Revenue Capital Appreciation Bonds Series 2002B, original issue of \$891,476, principal and interest due in annual installments beginning July 2007, interest at 3.6% to 3.8%, with the final payment due July 2008. The bonds were issued to finance the costs of acquisition, construction, equipping and improvement of an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the E Center. Debt service payments will be made from the General Fund sales tax revenues. The bond was paid off in current year.

-

Sales Tax Revenue Taxable Bonds Series 2002C, original issue of \$2,465,000, principal due in annual installments beginning July 2003, interest at 5.9% to 6.45% due in semi-annual installments beginning January 2003, with the final payment due July 2017. The bonds were issued to finance the costs of acquisition, construction, equipping and improvement of an arts and cultural heritage complex; and to finance equipment purchases and related improvements at the E Center. Debt service payments will be made from the General Fund sales tax revenues.

1,745,000

Lease Revenue Refunding Bonds Series 2003, original issue of \$8,615,000, principal due in annual installments beginning January 2004, interest at 2.0% to 3.5% due in semi-annual installments beginning July 2003, with the final payment due January 2010. The bonds were issued to refund the Lease Revenue Refunding Bonds Series 1993. Approximately 60.9% and 39.1% of the debt service payments will be paid from the Building Authority and West Ridge Golf Course, respectively. The balance shown is 60.9% of the total outstanding balance as of June 30, 2009, which is the portion attributable to governmental activities.

866,200

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

Redevelopment Agency Tax Increment Revenue Refunding Bonds Series 2005, original issue of \$6,185,000, principal due in annual installments beginning March 2010, interest at 4.0 to 5.0% due in semi-annual installments beginning September 2005, with the final payment due March 2024. The bonds were issued to refund part of the Redevelopment Agency Tax Increment Bonds Series 1997A which have been paid off during the year. The bonds were issued to pay for financing the cost of land and infrastructure improvements, including curb and gutter, paving and landscaping in respect to construction of the E Center. Debt service payments will be funded by tax increment funds generated within the project area.

\$ 6,185,000

Sales Tax Revenue Refunding Bonds Series 2006, original issue of \$13,905,000, principal due in annual installments beginning July 2010, interest at 4.0% to 5.0% due in semi-annual installments beginning July 2007, with the final payment due July 2021. The bonds were issued to defease the callable portion of the Sales Tax Revenue Bonds Series 2001A which were issued for the purchase and renovation of a Public Safety Building and the purchase of Stone Bridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 35% of the total outstanding balance as of June 30, 2009 which is the portion attributable to governmental activities.

4,866,750

Building Authority Lease Revenue Refunding Bonds Series 2006A, original issue of \$29,275,000, principal due in annual installments beginning August 2007, interest at 4.0% to 5.0% due in semi-annual installments beginning February 2007, with the final payment due on August 2027. The bonds were issued to partially refund the Building Authority Lease Revenue Bonds Series 2002A which have a defeased balance at June 30, 2009 of \$27,715,000. Debt payments will be funded by proceeds from the E Center's operations and transfers from the General Fund.

29,140,000

Building Authority Lease Revenue Refunding Bonds Series 2006B, original issue of \$6,510,000, principal due in annual installments beginning August 2007, interest at 4.0% due in semi-annual installments beginning February 2007, with the final payment due on August 2017. The bonds were issued to refund the Building Authority Tax Exempt Lease Revenue Bonds Series 1997 which have been paid off at June 30, 2008. Debt payments will be funded by lease payments from the Hale Theatre and transfers from the General Fund.

5,460,000

# **WEST VALLEY CITY** **NOTES TO FINANCIAL STATEMENTS (Continued)**

## **NOTE 11 LONG-TERM DEBT (Continued)**

Lease Revenue Bonds Series 2008, original issue of \$2,227,000, principal and interest due in annual installments beginning March 2009 with the final payment due in March 2015. Interest rate is at 3.3% to 3.85%. The bonds were issued to make lease payments on waste receptacles, heavy fleet trucks, a ladder truck, and an ambulance. Approximately 95% and 5% of the debt service payments will be made from the General Fund and Ambulance Fund, respectively. The balance shown is approximately 95% of the total outstanding balance as of June 30, 2009 which is the portion attributable to governmental activities.

\$ 1,828,000

Taxable Tax Increment & Revenue Bonds, Series 2008, original issue of \$6,050,000, interest due in semi-annual installments beginning March 2009 with the balloon principal payment due September 2013. Interest rate is at 6.45%. The bonds were issued to purchase land held for resale. All payments will be made by the Redevelopment Agency.

6,050,000

Sales Tax Revenue Bonds, Series 2008, original issue of \$7,900,000, principal due in annual installments beginning July 2009, interest at 4.0% to 5.25% due in semi-annual installments beginning January 2009, with the final payment due July 2023. The bonds were issued to fund future construction costs. Debt service payments will be made from the General Fund sales tax.

7,900,000

Total Revenue Bonds - Governmental Activities

\$ 99,782,200

### **Special Improvement District Bonds**

Special Assessment Bonds, Series 2005, Special Improvement District 2004-1, original issue of \$1,956,888, principal and interest due in annual installments beginning November 2006, interest at 4.27 to 5.23% with the final payment due November 2015. The bonds were issued to pay for improvements made to 5600 West. Debt service payments are financed by assessments to affected property owners within the Improvement District. The annual assessment to the property owners is equal to the annual debt service payments due to the bond holders.

\$ 1,454,536

Total Special Improvement District Bonds - Governmental Activities

\$ 1,454,536

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

**Notes Payable**

Housing and Urban Development (HUD) Section 108 Note, original note of \$3,297,000, principal due in annual installments beginning August 2003, interest at 5.1% to 6.07% due in semi-annual installments beginning February 2003, with the final payment due August 2021. Trust certificates guaranteed by the Secretary of Housing and Urban Development were sold in a public offering, and these certificates were backed by this and other notes. The notes were used for the exclusive use of cleaning up the Harvey Street project. Debt service payments will be paid by revenues from future draws from the HUD CDBG grant funds.

\$ 2,563,000

Total Notes Payable - Governmental Activities

\$ 2,563,000

**Capital Leases**

2004 Equipment Lease, original amount of \$539,569, lease payments due in semi-annual installments of \$79,094 including interest at 3.8% beginning January 2005, with the final payment due January 2012. The January 2005 payment is \$53,753, and the January 2008 payment is for \$104,750. The principal and interest payments are made from the General Fund revenues. The lease was used to refinance a fire truck lease.

\$ 220,328

2007 Equipment Lease, original amount of \$3,613,000, lease payments due in semi-annual installments of \$363,756 to \$364,716 including interest at 3.48% beginning August 2007, with the final payment due August 2012. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police and animal control vehicles.

2,230,806

2008 Various Equipment Leases, original amounts totaling \$844,578, lease payments due in quarterly installments totaling \$65,793 including interest at 3.96% to 4.615% with payments beginning from September 2008 to July 2009, with the final payment due from June 2011 to December 2015. The principal and interest payments are made from the General Fund revenues. The leases were used to finance the purchase of various electronic equipment.

759,793

2009 Equipment Lease, original amount of \$1,181,761, lease payments due in semi-annual installments of \$134,852 including interest at 4.95% beginning July 2009, with the final payment due January 2014. The principal and interest payments are made from the Building Authority revenues. The lease was used to finance the purchase of an electronic marquee for the E-Center.

1,181,761

Total Capital Leases - Governmental Activities

\$ 4,392,688

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

**Compensated absences**

The total of accumulated unpaid compensated absences in governmental funds.

\$ 1,296,286

The current portion of the compensated absences is calculated to be \$132,690 as of June 30, 2009.

**Business-type Activities**

**Revenue Bonds**

Sales Tax Revenue Bonds Series 2001A, original issue of \$18,310,000, principal due in annual installments beginning July 2003, interest at 3.5% to 5.5% due in semi-annual installments beginning January 2002, with the final payment due July 2021. The bonds were issued for the purchase and renovation of a Public Safety Building and the purchase of Stonebridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 65% of the total outstanding balance as of June 30, 2009, which is the portion attributable to business-type activities.

\$ 2,258,750

Lease Revenue Refunding Bonds Series 2003, original issue \$8,615,000, principal due in annual installments beginning January 2004, interest at 2.0% to 3.5% due in semi-annual installments beginning July 2003, with the final payment due January 2010. The bonds were issued to refund and defease the Lease Revenue Refunding Bonds Series 1993. Approximately 60.9% and 39.1% of the debt service payments will be paid from the Building Authority and West Ridge Golf Course, respectively. The balance shown is 39.1% of the total outstanding balance as of June 30, 2009, which is the portion attributable to business-type activities.

559,112

Sales Tax Revenue Refunding Bonds Series 2006, original issue of \$13,905,000, principal due in annual installments beginning July 2010, interest at 4.0% to 5.0% due in semi-annual installments beginning July 2007, with the final payment due July 2021. The bonds were issued to defease the callable portion of the Sales Tax Revenue Bonds Series 2001A which were issued for the purchase and renovation of a Public Safety Building and the purchase of Stone Bridge Golf Course. Approximately 35% and 65% of the debt service payments will be made from the General Fund sales tax and Golf Course revenues, respectively. The balance shown is 65% of the total outstanding balance as of June 30, 2009 which is attributable to the business-type activities.

9,038,250



**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

Lease Revenue Bonds Series 2008, original issue of \$2,227,000, principal due interest due in annual installments beginning March 2009 which matures March 2015. Interest rate is at 3.3% to 3.85%. The bonds were issued to make lease payments on waste receptacles, heavy fleet trucks, a ladder truck, and an ambulance. Approximately 95% and 5% of the debt service payments will be made from the General Fund and Ambulance Fund, respectively. The balance shown is approximately 5% of the total outstanding balance as of June 30, 2009 which is the portion attributable to business-type activities.

\$ 83,000

Total Revenue Bonds - Business-type Activities

\$ 11,939,112

**Capital Leases**

2005 Equipment lease, original amount of \$1,132,718, lease payments due in semi-annual installments of \$153,231 including interest at 3.58% beginning December 2005, with the final payment due December 2009. The principal and interest payments are made from the Ambulance Fund revenues. The lease was used to purchase ambulances.

\$ 150,536

Total Capital Leases - Business-type Activities

\$ 150,536

The annual debt service requirements to maturity, including principal and interest for the long-term debt, as of June 30, 2009, are as follows:

| Year Ending<br>June 30,   | Governmental Activities |               |
|---------------------------|-------------------------|---------------|
|                           | Revenue Bonds           |               |
|                           | Principal               | Interest      |
| 2010                      | \$ 6,067,200            | \$ 4,624,906  |
| 2011                      | 5,664,500               | 4,377,545     |
| 2012                      | 5,869,250               | 4,118,144     |
| 2013                      | 4,952,750               | 3,833,255     |
| 2014                      | 13,665,750              | 3,409,289     |
| 2015-2019                 | 33,898,750              | 11,051,746    |
| 2020-2024                 | 20,109,000              | 4,391,487     |
| 2025-2028                 | 9,555,000               | 857,224       |
|                           | 99,782,200              | \$ 36,663,596 |
| Plus: unamortized premium | 608,435                 |               |
| Less: deferred loss       | (1,495,022)             |               |
| Total                     | \$ 98,895,613           |               |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

| Year Ending<br>June 30, | Governmental Activities<br>Special Improvement District Bonds |                   |
|-------------------------|---|-------------------|
|                         | Principal   | Interest          |
| 2010                    | \$ 181,950  | \$ 64,924         |
| 2011                    | 189,719   | 57,155            |
| 2012                    | 197,820   | 49,054            |
| 2013                    | 206,782   | 40,093            |
| 2014                    | 216,149   | 30,725            |
| 2015-2016               | 462,116   | 31,633            |
|                         | <u>\$ 1,454,536</u>   | <u>\$ 273,584</u> |

| Year Ending<br>June 30, | Governmental Activities<br>Notes Payable |                     |
|-------------------------|--|---------------------|
|                         | Principal                                | Interest            |
| 2010                    | \$ 145,000                               | \$ 138,087          |
| 2011                    | 152,000                                  | 131,326             |
| 2012                    | 160,000                                  | 123,897             |
| 2013                    | 168,000                                  | 115,825             |
| 2014                    | 176,000                                  | 97,300              |
| 2015-2019               | 1,022,000                                | 384,315             |
| 2020-2024               | 740,000                                  | 68,165              |
|                         | <u>\$ 2,563,000</u>                      | <u>\$ 1,058,915</u> |

The future minimum lease payments to be paid by the City for capital leases are as follows:

| Year Ending<br>June 30,                     | Governmental<br>Activities Total |
|---|----------------------------------|
| 2010  | \$ 1,224,298                     |
| 2011  | 1,252,879                        |
| 2012  | 1,244,085                        |
| 2013  | 648,105                          |
| 2014  | 370,556                          |
| 2015  | 98,242                           |
| Total minimum lease payments                | 4,838,165                        |
| Less: amount representing interest          | (445,477)                        |
| Present value of net minimum lease payments | <u>\$ 4,392,688</u>              |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

The assets acquired through capital leases are as follows:

|                                |  | <b>Governmental<br/>Activities</b>                |                     |
|--------------------------------|--|---|---------------------|
|                                |  | <hr/>   |                     |
| Asset:                         |  |   |                     |
| Equipment                      |  | \$  | 6,250,416           |
| Less: accumulated depreciation |  |   | <u>(1,580,221)</u>  |
| Total                          |  | \$  | <u>4,670,195</u>    |
|                                |  |   |                     |
|                                |  | <b>Business-type Activities<br/>Revenue Bonds</b> |                     |
|                                |  | <hr/>   |                     |
| Year Ending<br>June 30,        |  | Principal   | Interest            |
| <hr/>                          |  |   |                     |
| 2010                           |  | \$ 854,718  | \$ 931,082          |
| 2011                           |  | 729,000   | 887,741             |
| 2012                           |  | 733,300   | 853,660             |
| 2013                           |  | 762,644   | 819,923             |
| 2014                           |  | 783,300   | 354,300             |
| 2015-2019                      |  | 4,605,300   | 1,210,500           |
| 2020-2022                      |  | <u>3,470,850</u>                                  | <u>212,200</u>      |
|                                |  | 11,939,112  | <u>\$ 5,269,406</u> |
| Plus: unamortized premium      |  | 91,856  |                     |
| Less: unamortized discount     |  | <u>(629,379)</u>                                  |                     |
| Total                          |  | \$ <u>11,401,589</u>                              |                     |

The future minimum lease payments to be paid by the City for capital leases are as follows:

| Year Ending<br>June 30,                     | <b>Business-type<br/>Activities Total</b> |
|---|---|
| <hr/>                                       | <hr/>                                     |
| 2010  | \$ 153,231                                |
| Total minimum lease payments                | 153,231                                   |
| Less: amount representing interest          | <u>(2,695)</u>                            |
| Present value of net minimum lease payments | <u>\$ 150,536</u>                         |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 11 LONG-TERM DEBT (Continued)**

The assets acquired through capital leases are as follows:

|                                | <u>Business-Type<br/>Activities</u> |
|--------------------------------|-------------------------------------|
| Asset:                         |                                     |
| Machinery and equipment        | \$ 1,134,818                        |
| Less: accumulated depreciation | <u>(473,927)</u>                    |
| Total                          | <u>\$ 660,891</u>                   |

**NOTE 12 RISK MANAGEMENT**

The City is exposed to various risks of loss including third party claims, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded the City's insurance coverage for any of the past five years.

General liability coverage is provided by the Utah Risk Management Mutual Association (URMMA), a risk mutual association to which the City belongs, along with 25 others cities in Utah. The State of Utah Insurance Department regulates URMMA to ensure sound actuarial standards are used. Payment of an annual insurance premium indemnifies the City for claims that exceed a per occurrence deductible. The policy provides \$6 million of liability coverage per occurrence after a deductible of \$15,000. In the event URMMA becomes insolvent, the City is fully responsible for all claims.

Real property is either self-insured or insured through commercial policies. Some vehicles are self-insured (generally those valued at less than \$50,000) while those valued over \$50,000 are typically insured commercially. Where possible and appropriate, in contractual transactions with other persons or entities, responsibility for damages is transferred to the other party or person(s) that perform work for the City. Coverage for asbestos liability is limited to an annual aggregate of \$100,000.

The City operates a self-insured workers' compensation program. Each injury is funded by the City to the extent of \$400,000. The City purchases reinsurance to cover any claims that exceed \$400,000. The reinsurance has a limit of \$1,000,000. The City is responsible for any amounts that exceed \$1,000,000 per occurrence. Pinnacle Risk Management Services is the designated third party administrator for the City's workers' compensation program.

The West Valley City administration and City Council are ultimately responsible for setting reserves and adjusting the reserve throughout the life of the claims. The City uses prior loss history and actuary studies as the basis for computing the accrual. The City at this time has no annuities. Workers' compensation claims liability is recorded in the General Fund in accrued liabilities. In management's opinion, the accrued workers' compensation claim liability is adequate to cover the reported claims as well as the incurred but not reported claims for which the City is responsible.

## WEST VALLEY CITY NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 12 RISK MANAGEMENT (Continued)

The following table shows the workers' compensation claim liability for the years ended June 30, 2009 and 2008.

|  | 2009              | 2008              | Increase<br>(Decrease) |
|--|-------------------|-------------------|------------------------|
| Workers Compensation claim, liability,<br>beginning year | \$ 835,570        | \$ 893,762        | \$ (58,192)            |
| Claims, including incurred but not reported              | 629,007           | 588,363           | 40,644                 |
| Payments on claims                                       | (549,635)         | (646,555)         | 96,920                 |
| Workers Compensation claim, liability,<br>end of year    | <u>\$ 914,942</u> | <u>\$ 835,570</u> | <u>\$ 79,372</u>       |

The obligation of URMMA to pay damages on behalf of the City or covered individuals applies only to damages in excess of the member "deductions" and group "self-insured retentions" outlined in the Coverage Profile. The members' "deductibles" and the group's "self-insured retentions" also include attorney's fees and all other costs incurred in defending a claim.

Each member may adjust, settle, and pay or deny all "property damage" claims which are less than one hundred percent (100%) of that member's deductible and which do not include bodily injury, personal injuries, or alleged violation of civil rights.

### NOTE 13 RETIREMENT PLAN

#### Cost Sharing Defined Benefits Pension Plans

Plan description: The City contributes to the Local Governmental Contributory Retirement System, the Local Governmental Noncontributory Retirement System, the Public Safety Contributory Retirement System, the Public Safety Noncontributory Retirement System, the Firefighters Retirement System, cost-sharing multiple-employer defined benefit pension plans. These plans are administered by the Utah Retirement Systems (the Systems). The Systems provide retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated, 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, the Local Governmental Noncontributory Retirement System, and the Firefighters Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6% of their annual covered salary (all of which is paid by the City), and the City is required to contribute 7.61% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the City is required to contribute 11.62% of members' annual covered salary. In the

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 13 RETIREMENT PLAN (Continued)**

Public Safety Contributory Retirement System, contributory members are required to contribute 10.50% of annual salary (all or part may be paid by the employer for the employee) and the City is required to contribute 15.69% of annual salary and 25.49% of annual covered salary for members in the noncontributory status. In the Firefighters Retirement System, members do not contribute, and the City is required to contribute 9.68% of the members' annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City's contributions to the Local Governmental Contributory Retirement System for the years ended June 30, 2009, 2008, and 2007, were \$160,370, \$153,969, and \$144,084, respectively; for the Noncontributory Retirement System, the contributions for the years ended June 30, 2009, 2008, and 2007, were \$1,637,984, \$1,484,744, and \$1,304,457, respectively; for the Public Safety Contributory Retirement System, the contributions for the years ended June 30, 2009, 2008 and 2007 were \$111,737, \$180,597, and \$327,477, respectively; for the Public Safety Noncontributory Retirement system, the contributions for the years ended June 30, 2009, 2008 and 2007 were \$2,400,867, \$2,177,305, and \$1,844,772, respectively; and for the Firefighters Retirement System, the contributions for the years ended June 30, 2009, 2008, and 2007, were \$529,545, \$501,525, and \$418,788, respectively. The contributions were equal to the required contributions for each year.

**NOTE 14 DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS**

401(a) Defined Contribution Plans

The City sponsors a defined contribution plan under Internal Revenue Code 401(a) for City employees covered by the State's contributory and noncontributory retirement plans. International City Managers Association (ICMA) administers this plan. The City's total payrolls for the fiscal years ended June 30, 2009, 2008 and 2007 were \$34,941,612, \$32,644,883 and \$29,593,648, respectively. Of those amounts, \$33,335,947, \$31,099,405 and \$28,180,113 were eligible to participate in this plan for the years ended June 30, 2009, 2008, and 2007, respectively. The City participates at rates between 6.00% and 25.49%. The rate of City participation can be changed by the City Council.

During the years ended June 30, 2009, 2008, and 2007, contributions totaling \$2,483,378, \$2,306,276, and \$2,099,224, respectively were made to this plan by the City. The contributions by the City to the 401(a) plan were 7.11%, 7.06%, and 7.09%, respectively of total covered payroll. The 401(a) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(a) defined contribution plan are reflected in the financial statements.

457 Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The City's total payrolls for the fiscal years ended June 30, 2009, 2008, and 2007 were \$34,941,612, \$32,644,883 and \$29,593,648, respectively. Of those amounts, \$33,335,947, \$31,099,405 and \$28,180,113 were eligible to participate in this plan for the years ended June 30, 2009, 2008, and 2007, respectively. Voluntary contributions made by employees totaled \$894,122, or 2.56% of total payroll expense in 2009, \$893,846, or 3.04% of total payroll expense in 2008, and \$991,350, or 3.04% of total payroll expenses in 2007. All contributions were made by the due dates.

All of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer. Therefore, the assets are not assets of the City and are not included in the City's financial statements.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

The City had approximately \$1,255,000 of outstanding construction commitments at June 30, 2009.

The City is a defendant in various claims and suits arising from the ordinary course of business. A provision for loss related to litigation of \$435,334 was recorded in the accompanying financial statements. Management believes that any liability resulting from these matters is adequately covered by this provision.

In June 2002 the City restructured the management agreement between the City and WVE, Inc., to operate the E Center. WVE, Inc. is a subsidiary of Centennial Management Group and is responsible for the daily operations, maintenance, bookings, and events that take place at the E Center. The City is responsible for management and operation of the E Center parking facilities.

The City pays to WVE, Inc., or its parent company, Centennial Management Group, an annual management fee of \$170,000. This annual fixed fee will increase by \$5,000 on July 1 of each year through 2007. The annual fixed fee will increase by \$7,500 each year for the next five year period beginning on July 1, 2009; then, beginning on July 1, 2013, the annual fixed fee will increase by \$10,000 each year for the remainder of the agreement. The fee was \$191,625 for current fiscal year. The term of the agreement ends in June 2017.

In addition to the annual fixed fee, if certain performance objectives are reached, the City may pay an additional annual incentive fee payment equal to not more than 5% of the annual fixed fee. These management fees paid to WVE, Inc., and/or Centennial Management Group are their only compensation for managing the E Center. All E Center revenues are collected by the City (other than those retained by the concessionaire and the hockey club pursuant to their respective contracts). All E Center expenses (including WVE, Inc. personnel expenses) are paid by the City.

The City entered into a contract with USANA Amphitheater (the Amphitheater) to provide management services. The City then contracted with WVE, Inc. to provide the management services for the Amphitheater. The City pays to WVE, Inc., or its parent company, Centennial Management Group, an annual management fee to provide management services to the Amphitheater and the Utah Cultural Celebration Center (the Center). Each year, beginning on July 1, 2004, the annual fixed fee is increased by the total percentage increase in the "West A" consumer Price Index, but not less than 2% or more than 5% of the annual payment due for the immediately preceding 12 month period. The fee was \$63,814 in current fiscal year. The term of the agreement ends in June 2017.

In addition to the annual fixed fee, any net income from the markup on the use of part-time labor used at the Center or the Amphitheater will be shared equally by the City and WVE, Inc. and/or Centennial Management Group. All revenues from the operation of the Center are the City's. All the Center's expenses (including WVE, Inc. personnel expenses) are paid by the City.

The City entered into a "Venue Marketing Services Agreement", wherein the City will pay the other party 50% of marketing revenue earned at the E Center greater than \$1,661,641 for each year through the end of the third year of the agreement, and will increase every year thereafter by the Consumer Price Index. The agreement term is until August 31, 2022. The marketing fee for fiscal 2009 was \$151,169.

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 16 INTERGOVERNMENTAL REVENUE**

Intergovernmental revenue for the year ended June 30, 2009 consists of the following:

|  | General Fund        | Other<br>Governmental<br>Funds | Business-type<br>Funds |
|--|---------------------|--------------------------------|------------------------|
| Federal Government:                        |                     |                                |                        |
| Anti Gang Grants                           | \$ -                | \$ 63,455                      | \$ -                   |
| Bulletproof Vest Grant                     | -                   | 18,914                         | -                      |
| CDBG Grant                                 | -                   | 1,429,381                      | -                      |
| Domestic Violence VOCA                     | -                   | 96,818                         | -                      |
| Education Grant                            | -                   | 56,454                         | -                      |
| Emergency Management Grant                 | -                   | 19,062                         | -                      |
| Homeland Security                          | -                   | 82,652                         | -                      |
| HUD - Vouchers                             | -                   | -                              | 3,024,301              |
| HIDTA Police Grant                         | -                   | 132,111                        | -                      |
| JAG Grants                                 | -                   | 43,455                         | -                      |
| Justice Dept WE-AX Grant                   | -                   | 305,708                        | -                      |
| LLEBG 2004 Interest                        | -                   | 737                            | -                      |
| Miscellaneous grants                       | -                   | 16,675                         | -                      |
| National Endowment for the Arts            | -                   | 2,562                          | -                      |
| Salt Lake County Grant                     | -                   | 158,760                        | -                      |
| Salt Lake Homes Revenue                    | -                   | -                              | 117,577                |
| Shelter Plus Care                          | -                   | -                              | 123,682                |
| VAWA Grant                                 | -                   | 37,504                         | -                      |
| Weed & Seed                                | -                   | 145,868                        | -                      |
| State of Utah:                             |                     |                                |                        |
| Class "C" road fund allotment              | 3,469,037           | -                              | -                      |
| Harvey St 108 Loan Interest                | -                   | 96                             | -                      |
| Juvenile Justice Alcohol Offenses - Minors | -                   | 2,063                          | -                      |
| Liquor allotment                           | 132,967             | -                              | -                      |
| 7200 West - HB 242                         | 2,000,000           | -                              | -                      |
| Salt Lake County Flyover                   | 155,167             | -                              | -                      |
|  | <u>\$ 5,757,171</u> | <u>\$ 2,612,275</u>            | <u>\$ 3,265,560</u>    |

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the City's independent auditors and other governmental auditors. Any disallowed claims resulting from such an audit could become a liability of the General Fund or other applicable fund. Based on prior experience, the City administration believes such disallowance, if any, would be immaterial.



**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 17 REDEVELOPMENT AGENCY OF THE WEST VALLEY CITY**

For the year ended June 30, 2009, the following activity occurred in the City's Redevelopment Agency:

|  |                     |
|--|---------------------|
| Tax increment collected from other taxing agencies | <u>\$ 6,094,958</u> |
| Amounts expended for:                              |                     |
| Tax increment paid to other taxing agencies        | \$ 1,485,836        |
| Administrative costs                               | 1,419,752           |
| Debt service costs                                 | <u>1,070,642</u>    |
| Total amounts expended by RDA                      | <u>\$ 3,976,230</u> |

**NOTE 18 CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issue. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, there are three series of Industrial Revenue Bonds outstanding, with an aggregate original issue principal amount payable of \$22,736,430 composed of the following issues:

| Company                           | Maturity      | Balance<br>At<br>June 30, 2009 |
|-----------------------------------|---------------|--------------------------------|
| GFI, Ltd. II K-MART - 1984        | December 2010 | \$ 1,000,000                   |
| Monticello Academy - 2007         | June 2037     | 11,000,000                     |
| East Hollywood High School - 2007 | June 2037     | 6,290,000                      |
| Holbrook Properties - 2007        | April 2018    | <u>2,294,534</u>               |
|                                   |               | <u>\$ 20,584,534</u>           |

**WEST VALLEY CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 19 INTERLOCAL AGREEMENT**

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Agency (UTOPIA), an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate, and maintain an open, wholesale, public and telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA is jointly owned by the members. No equity investment has been recorded by the City since, as of June 30, 2009; UTOPIA had a net assets deficit balance. UTOPIA is providing limited services, but it is still in a start-up phase.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In June 2009 UTOPIA issued an \$185,000,000 revenue bond. The first two years of bond payments will be made from a debt reserve fund. From that point on, until the bonds are due in June 2040, net revenues from UTOPIA will reimburse the debt service for payments on the bond debt. To the extent that there are insufficient net revenues to pay the debt service, the 11 pledged members are required to reimburse the UTOPIA debt service fund of any shortfall by their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 27.82% with a yearly liability limit set at a maximum of \$3,254,373. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

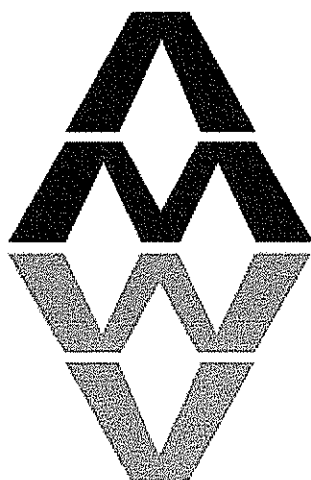
On July 1, 2007, the City deposited \$2,806,999 into the UTOPIA Bond Debt Service Reserve Fund. These funds will remain on deposit until the bonds are retired in June 2040. As of June 30, 2009 the full amount of the required deposit had been transferred to the City's Capital Projects Fund and has been deposited as required by its agreement with UTOPIA.

**NOTE 20 SUBSEQUENT EVENTS**

Subsequent to year end, the City issued the RDA of WVC Tax Increment and Sales Tax Revenue Bonds, Series 2009 for \$9,020,000 which will be used to construct certain publicly owned improvements within the City Center Redevelopment Project Area.

Subsequent to year end, the City issued a Franchise Tax Revenue Refunding Bond, Series 2009 for \$13,735,000 for the purpose of refunding the "the MBA of WVC lease revenue bond, series 1998A".

## **REQUIRED SUPPLEMENTAL INFORMATION**



**WEST VALLEY CITY**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE**  
**MODIFIED APPROACH**  
**For The Year Ended June 30, 2009**

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the City has adopted an allowable alternative to reporting depreciation for three of eight infrastructure subsystems in the Transportation Network. Under this alternative method, referred to as the “modified approach”, the City must maintain an asset management system and demonstrate that its subsystems are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed. The City capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and /or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the City.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the City.

The City applies the modified approach to the three major subsystems considered to be owned by the City: Major Streets, Minor Streets and Sidewalks. The goal of the City in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the City’s investment in its subsystems and enhances public transportation and safety.

**Major Streets**

The condition of the major streets pavement is measured using the Local Transportation Assistance Program. This system uses a measurement scale that considers the condition of the roads using nine condition factors and then assigns the road a Remaining Service Life, (RSL), ranging from 0 to 21. The RSL is the remaining life of the road in years, if no additional upkeep, replacement, or maintenance is performed. The RSL is used to classify roads into categories as follows:

| Category  | RSL Rating Range | Description  |
|-----------|------------------|--|
| Excellent | 19 - 21 yrs      | New or nearly new pavement which provides a very smooth ride and is mainly free of distress. (No maintenance work needed.)   |
| Very Good | 13 - 18 yrs      | Pavement which provides an adequate ride, and exhibits few, if any, visible signs of distress. (Minor maintenance may be needed.)  |
| Good      | 10 - 12 yrs      | Pavement which provides an adequate ride, and exhibits few signs of distress. (Moderate maintenance may be needed.)  |
| Fair      | 7 - 9 yrs        | Surface defects in this category such as alligator cracking, potholes, rutting, and raveling are affecting the ride of the user. (Major maintenance is likely needed.)                                 |
| Poor      | 1 - 6 yrs        | These roads have deteriorated to such an extent that they are in need of resurfacing, and the ride is noticeably rough. (Structural improvements, in addition to major maintenance, is likely needed.) |
| Failed    | 0 yrs            | Pavement in this category is severely deteriorated, and the ride quality is unacceptable. (Complete road reconstruction is likely needed.)   |

**WEST VALLEY CITY**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE**  
**MODIFIED APPROACH (Continued)**  
**For The Year Ended June 30, 2009**

Major Streets (Continued)

It was the City's policy to maintain at least 80% of all major streets (by mileage) at or above the "fair to excellent" condition level. In 2006, the City changed the policy to correlate with management's software to maintain an average RSL of 10 years or greater, with no more than 3% at end of service life. The City performs a complete condition assessment on each major street every three years. A condition assessment on the major streets was performed in fiscal year 2007 and the next condition assessment is scheduled to be done during the Spring of 2010, which will apply the average RSL standard.

**Condition Rating of the City's Major Streets**  
(Percentage of Miles)

| <u>Category</u> | <u>2007</u> | <u>2005</u> | <u>2002</u> |
|-----------------|-------------|-------------|-------------|
| Excellent       | 0%          | 1%          | 0%          |
| Very Good       | 31%         | 20%         | 39%         |
| Good            | 45%         | 46%         | 23%         |
| Fair            | 9%          | 29%         | 24%         |
| Poor            | 15%         | 4%          | 12%         |
| Fail            | 0%          | 0%          | 2%          |

**Comparison of Needed-to-Actual  
Maintenance/Preservation**

| <u>Major Streets</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|
| Estimated            | \$ 896,000  | \$ 774,000  | \$ 612,000  | \$ 612,000  | \$ 612,000  |
| Actual               | 468,163     | 758,181     | 527,960     | 495,437     | 482,849     |

**WEST VALLEY CITY**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE**  
**MODIFIED APPROACH (Continued)**  
**For The Year Ended June 30, 2009**

Minor Streets

The condition of the minor streets pavement is measured using the Local Transportation Assistance Program in which pavement management data has been entered into a database linked to each minor street. A condition assessment was conducted by Utah LTAP Center in the Spring of 2009.

| Category  | Description *   | RSL (Years) ** |
|-----------|---|----------------|
| Excellent | Minor street was slurry-sealed in the prior year.   | 19-20          |
| Very Good |   | 13-18          |
| Good      | Minor street was slurry-sealed two to four years ago.   | 10-12          |
| Fair      | Minor street was slurry-sealed five to six years ago and is scheduled in the current year to be slurry-sealed.  | 7-9            |
| Poor      | Minor street has deteriorated to such an extent that it is in need of resurfacing, and the ride is noticeably rough. (Structural improvements, in addition to major maintenance, is likely needed.) | 1-6            |
| Failed    | Minor street is severely deteriorated, and the ride quality is unacceptable. (Complete road reconstruction is likely needed.)   | 0              |

\* Assessment for prior City policy.

\*\* Assessment for current City policy.

It was the City's policy to maintain at least 80% of all minor streets (by mileage) at or above the "fair to excellent" condition level. In 2006, the City changed the policy to correlate with management's software to maintain an average RSL of 8 years or greater, therefore the table below is not comparable between 2009 and prior years' ratings.

**Condition Rating of the City's Minor Streets**  
(Percentage of Miles)

| <u>Category</u> | <u>2009</u> | <u>2006</u> | <u>2005</u> |
|-----------------|-------------|-------------|-------------|
| Excellent       | 7%          | 15%         | 17%         |
| Very Good       | 11%         |             |             |
| Good            | 42%         | 53%         | 50%         |
| Fair            | 7%          | 31%         | 30%         |
| Poor/Failed     | 33%         | 1%          | 0%          |
| Average RSL     | 9.7 Years   |             |             |

**Comparison of Needed-to-actual**  
**Maintenance/Preservation**

| <u>Minor Streets</u> | <u>2009</u> | <u>2008</u> | <u>2007</u>  | <u>2006</u> | <u>2005</u> |
|----------------------|-------------|-------------|--------------|-------------|-------------|
| Estimated            | \$ 720,000  | \$ 926,000  | \$ 1,290,000 | \$ 690,000  | \$ 900,000  |
| Actual               | 608,785     | 759,082     | 790,655      | 563,365     | 565,702     |

**WEST VALLEY CITY**  
**INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE**  
**MODIFIED APPROACH (Continued)**  
**For The Year Ended June 30, 2009**

Sidewalks

The condition of the sidewalks is measured using the Geodatabase System in which pavement management data has been entered into a database linked to each minor street. The following table details the measurement scale the City uses in assessing the condition rating for sidewalks.

| Category        | Description  |
|-----------------|--|
| Excellent/ Good | No defects in the sidewalk.                                |
| Fair            | Light spalling, less than 1" displacement in the sidewalk. |
| Poor            | Light spalling, 1 - 2" displacement in the sidewalk.       |
| Failed          | Heavy spalling, more than 2" displacement in the sidewalk. |

It is the City's policy to maintain a minimum of 95% of sidewalks by length) are at the "good or excellent" condition level. The City performs a complete condition assessment on each sidewalk every three years. A complete assessment was performed in the Spring of 2009.

**Condition Rating of the City's Sidewalks**

| <u>Category</u> | <u>2009</u> | <u>2006</u> | <u>2005</u> |
|-----------------|-------------|-------------|-------------|
| Excellent/Good  | 98%         | 96%         | 97%         |
| Fair            | 1%          | 2%          | 1%          |
| Poor            | 1%          | 1%          | 1%          |
| Fail            | 0%          | 1%          | 1%          |

**Comparison of Needed-to-actual  
Maintenance/Preservation**

| <u>Sidewalks</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Estimated        | \$ 458,000  | \$ 90,500   | \$ 86,000   | \$ 60,000   | \$ 90,000   |
| Actual           | 157,679     | 71,505      | 64,523      | 50,862      | 53,211      |



## SUPPLEMENTAL INFORMATION

**WEST VALLEY CITY**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2009**

|  | Special Revenue Funds |                   |                     |                     |                       |
|--|-----------------------|-------------------|---------------------|---------------------|-----------------------|
|  | Fitness<br>Center     | Hale<br>Theatre   | E<br>Center         | Sanitation          | Road<br>Impact<br>Fee |
| <b>ASSETS</b>                                  |                       |                   |                     |                     |                       |
| Cash and cash equivalents                      | \$ 3,500              | \$ -              | \$ 1,437,409        | \$ 1,396,054        | \$ -                  |
| Receivables:                                   |                       |                   |                     |                     |                       |
| Accounts, net                                  | 7,021                 | 103,368           | 230,148             | 382,474             | -                     |
| Intergovernmental                              | -                     | -                 | -                   | -                   | -                     |
| Loan receivables                               | -                     | -                 | -                   | -                   | -                     |
| Prepays  | -                     | -                 | 10,808              | -                   | -                     |
| Restricted assets:                             |                       |                   |                     |                     |                       |
| Cash and cash equivalents                      | -                     | -                 | -                   | -                   | 736,780               |
| <b>Total Assets</b>                            | <u>\$ 10,521</u>      | <u>\$ 103,368</u> | <u>\$ 1,678,365</u> | <u>\$ 1,778,528</u> | <u>\$ 736,780</u>     |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                       |                   |                     |                     |                       |
| <b>Liabilities:</b>                            |                       |                   |                     |                     |                       |
| Accounts payable                               | \$ 51,642             | \$ -              | \$ -                | \$ 301,936          | \$ -                  |
| Accrued liabilities                            | 163,171               | -                 | 1,971,108           | 19,585              | -                     |
| Due to other funds                             | 1,378,749             | 68,554            | 1,720,894           | -                   | -                     |
| Deferred revenue                               | -                     | -                 | -                   | -                   | -                     |
| Notes payable                                  | -                     | -                 | -                   | -                   | -                     |
| Liabilities payable from<br>restricted assets  | -                     | -                 | -                   | -                   | 7,575                 |
| <b>Total Liabilities</b>                       | <u>1,593,562</u>      | <u>68,554</u>     | <u>3,692,002</u>    | <u>321,521</u>      | <u>7,575</u>          |
| <b>Fund Balances:</b>                          |                       |                   |                     |                     |                       |
| Reserved for:                                  |                       |                   |                     |                     |                       |
| Debt Service                                   | -                     | -                 | -                   | -                   | -                     |
| Future development                             | -                     | -                 | -                   | -                   | 729,205               |
| Prepays  | -                     | -                 | 10,808              | -                   | -                     |
| Unreserved, reported in:                       |                       |                   |                     |                     |                       |
| Special revenue funds                          | (1,583,041)           | 34,814            | (2,024,445)         | 1,457,007           | -                     |
| <b>Total Fund Balances</b>                     | <u>(1,583,041)</u>    | <u>34,814</u>     | <u>(2,013,637)</u>  | <u>1,457,007</u>    | <u>729,205</u>        |
| <b>Total Liabilities and<br/>Fund Balances</b> | <u>\$ 10,521</u>      | <u>\$ 103,368</u> | <u>\$ 1,678,365</u> | <u>\$ 1,778,528</u> | <u>\$ 736,780</u>     |

**WEST VALLEY CITY**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**June 30, 2009**

|  | Special Revenue Funds |                       |                         |                        |                        |
|--|-----------------------|-----------------------|-------------------------|------------------------|------------------------|
|  | Park<br>Impact<br>Fee | Fire<br>Impact<br>Fee | Police<br>Impact<br>Fee | Flood<br>Impact<br>Fee | Stormwater<br>Drainage |
| <b>ASSETS</b>                                  |                       |                       |                         |                        |                        |
| Cash and cash equivalents                      | \$ -                  | \$ -                  | \$ -                    | \$ -                   | \$ 1,976,525           |
| Receivables:                                   |                       |                       |                         |                        |                        |
| Accounts, net                                  | -                     | -                     | -                       | -                      | 219,843                |
| Intergovernmental                              | -                     | -                     | -                       | -                      | -                      |
| Loan receivables                               | -                     | -                     | -                       | -                      | -                      |
| Prepaid items                                  | -                     | -                     | -                       | -                      | -                      |
| Restricted assets:                             |                       |                       |                         |                        |                        |
| Cash and cash equivalents                      | 1,152,421             | 435,529               | 493,644                 | 262,604                | -                      |
| <b>Total Assets</b>                            | <u>\$ 1,152,421</u>   | <u>\$ 435,529</u>     | <u>\$ 493,644</u>       | <u>\$ 262,604</u>      | <u>\$ 2,196,368</u>    |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                       |                       |                         |                        |                        |
| <b>Liabilities:</b>                            |                       |                       |                         |                        |                        |
| Accounts payable                               | \$ -                  | \$ -                  | \$ -                    | \$ -                   | \$ 21,880              |
| Accrued liabilities                            | -                     | -                     | -                       | -                      | -                      |
| Due to other funds                             | -                     | -                     | -                       | -                      | -                      |
| Deferred revenue                               | -                     | -                     | -                       | -                      | -                      |
| Notes payable                                  | -                     | -                     | -                       | -                      | -                      |
| Liabilities payable from<br>restricted assets  | 3,944                 | -                     | -                       | -                      | -                      |
| <b>Total Liabilities</b>                       | <u>3,944</u>          | <u>-</u>              | <u>-</u>                | <u>-</u>               | <u>21,880</u>          |
| <b>Fund Balances:</b>                          |                       |                       |                         |                        |                        |
| Reserved for:                                  |                       |                       |                         |                        |                        |
| Debt Service                                   | -                     | -                     | -                       | -                      | -                      |
| Future development                             | 1,148,477             | 435,529               | 493,644                 | 262,604                | -                      |
| Prepays  | -                     | -                     | -                       | -                      | -                      |
| Unreserved, reported in:                       |                       |                       |                         |                        |                        |
| Special revenue funds                          | -                     | -                     | -                       | -                      | 2,174,488              |
| <b>Total Fund Balances</b>                     | <u>1,148,477</u>      | <u>435,529</u>        | <u>493,644</u>          | <u>262,604</u>         | <u>2,174,488</u>       |
| <b>Total Liabilities and<br/>Fund Balances</b> | <u>\$ 1,152,421</u>   | <u>\$ 435,529</u>     | <u>\$ 493,644</u>       | <u>\$ 262,604</u>      | <u>\$ 2,196,368</u>    |

**WEST VALLEY CITY**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**June 30, 2009**

|  | Special Revenue Funds             |                     |                       | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------------|---------------------|-----------------------|--|
|  | Cultural<br>Celebration<br>Center | Grants              | Building<br>Authority |  |
| <b>ASSETS</b>                                  |                                   |                     |                       |  |
| Cash and cash equivalents                      | \$ 313,378                        | \$ 916,775          | \$ 4,024,639          | \$ 10,068,280                              |
| Receivables:                                   |                                   |                     |                       |  |
| Accounts, net                                  | 5,400                             | -                   | -                     | 948,254                                    |
| Intergovernmental                              | -                                 | 697,988             | -                     | 697,988                                    |
| Loan receivables                               | -                                 | 618,605             | -                     | 618,605                                    |
| Prepays  | -                                 | -                   | -                     | 10,808                                     |
| Restricted assets:                             |                                   |                     |                       |  |
| Cash and cash equivalents                      | -                                 | -                   | 3,453,613             | 6,534,591                                  |
| <b>Total Assets</b>                            | <u>\$ 318,778</u>                 | <u>\$ 2,233,368</u> | <u>\$ 7,478,252</u>   | <u>\$ 18,878,526</u>                       |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                                   |                     |                       |  |
| <b>Liabilities:</b>                            |                                   |                     |                       |  |
| Accounts payable                               | \$ 99,388                         | \$ 3,247            | \$ 5,014              | \$ 483,107                                 |
| Accrued liabilities                            | 84,769                            | 29,586              | -                     | 2,268,219                                  |
| Due to other funds                             | 353,961                           | 1,563,227           | -                     | 5,085,385                                  |
| Deferred revenue                               | 62,986                            | 618,605             | -                     | 681,591                                    |
| Notes payable                                  | -                                 | -                   | 4,600,000             | 4,600,000                                  |
| Liabilities payable from<br>restricted assets  | -                                 | -                   | -                     | 11,519                                     |
| <b>Total Liabilities</b>                       | <u>601,104</u>                    | <u>2,214,665</u>    | <u>4,605,014</u>      | <u>13,129,821</u>                          |
| <b>Fund Balances:</b>                          |                                   |                     |                       |  |
| Reserved for:                                  |                                   |                     |                       |  |
| Debt Service                                   | -                                 | -                   | 3,451,613             | 3,451,613                                  |
| Future development                             | -                                 | -                   | -                     | 3,069,459                                  |
| Prepays  | -                                 | -                   | -                     | 10,808                                     |
| Unreserved, reported in:                       |                                   |                     |                       |  |
| Special revenue funds                          | (282,326)                         | 18,703              | (578,375)             | (783,175)                                  |
| <b>Total Fund Balances</b>                     | <u>(282,326)</u>                  | <u>18,703</u>       | <u>2,873,238</u>      | <u>5,748,705</u>                           |
| <b>Total Liabilities and<br/>Fund Balances</b> | <u>\$ 318,778</u>                 | <u>\$ 2,233,368</u> | <u>\$ 7,478,252</u>   | <u>\$ 18,878,526</u>                       |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2009**

|  | Special Revenue Funds |                  |                       |                     |                       |
|--|-----------------------|------------------|-----------------------|---------------------|-----------------------|
|  | Fitness<br>Center     | Hale<br>Theatre  | E<br>Center           | Sanitation          | Road<br>Impact<br>Fee |
| <b>Revenues:</b>   |                       |                  |                       |                     |                       |
| Annual passes and activity fees                                      | \$ 1,957,271          | \$ -             | \$ -                  | \$ -                | \$ -                  |
| Fees   | -                     | -                | -                     | 4,595,154           | 815,548               |
| Intergovernmental  | -                     | -                | -                     | -                   | -                     |
| Sales & hotel tax  | -                     | -                | 270,046               | -                   | -                     |
| Rental income  | -                     | 406,515          | 3,756,229             | -                   | -                     |
| Interest   | -                     | 1,824            | 842                   | -                   | 7,796                 |
| Miscellaneous  | 36,413                | -                | -                     | -                   | -                     |
| <b>Total Revenues</b>  | <b>1,993,684</b>      | <b>408,339</b>   | <b>4,027,117</b>      | <b>4,595,154</b>    | <b>823,344</b>        |
| <b>Expenditures:</b>   |                       |                  |                       |                     |                       |
| Current:   |                       |                  |                       |                     |                       |
| General government   | -                     | -                | -                     | -                   | -                     |
| Public safety  | -                     | -                | -                     | -                   | -                     |
| Highways and public<br>improvements                                  | -                     | -                | -                     | 4,129,982           | 393,271               |
| Parks and recreation   | 2,676,829             | 15,873           | 4,405,460             | -                   | -                     |
| Community development  | -                     | -                | -                     | -                   | -                     |
| Debt service:  |                       |                  |                       |                     |                       |
| Principal  | -                     | -                | -                     | 130,000             | -                     |
| Interest   | -                     | -                | -                     | 36,897              | -                     |
| Bond issuance costs  | -                     | -                | -                     | -                   | -                     |
| Capital outlay   | -                     | -                | -                     | -                   | -                     |
| <b>Total Expenditures</b>  | <b>2,676,829</b>      | <b>15,873</b>    | <b>4,405,460</b>      | <b>4,296,879</b>    | <b>393,271</b>        |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(683,145)</b>      | <b>392,466</b>   | <b>(378,343)</b>      | <b>298,275</b>      | <b>430,073</b>        |
| <b>Other Financing Sources (Uses):</b>                               |                       |                  |                       |                     |                       |
| Issuance of capital lease  | -                     | -                | -                     | -                   | -                     |
| Transfers in   | 2,343,387             | 69,188           | 3,402,006             | -                   | -                     |
| Transfers out  | (1,613,805)           | (456,514)        | (3,169,330)           | (6,500)             | -                     |
| Sale of capital assets   | -                     | -                | -                     | -                   | -                     |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <b>729,582</b>        | <b>(387,326)</b> | <b>232,676</b>        | <b>(6,500)</b>      | <b>-</b>              |
| <b>Net Change in Fund Balances</b>                                   | <b>46,437</b>         | <b>5,140</b>     | <b>(145,667)</b>      | <b>291,775</b>      | <b>430,073</b>        |
| <b>Fund Balances, Beginning</b>                                      | <b>(1,629,478)</b>    | <b>29,674</b>    | <b>(1,867,970)</b>    | <b>1,165,232</b>    | <b>299,132</b>        |
| <b>Fund Balances, Ending</b>   | <b>\$ (1,583,041)</b> | <b>\$ 34,814</b> | <b>\$ (2,013,637)</b> | <b>\$ 1,457,007</b> | <b>\$ 729,205</b>     |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**For The Year Ended June 30, 2009**

|  | Special Revenue Funds |                       |                         |                        |                        |
|--|-----------------------|-----------------------|-------------------------|------------------------|------------------------|
|  | Park<br>Impact<br>Fee | Fire<br>Impact<br>Fee | Police<br>Impact<br>Fee | Flood<br>Impact<br>Fee | Stormwater<br>Drainage |
| <b>Revenues:</b>   |                       |                       |                         |                        |                        |
| Annual passes and activity fees                                      | \$ -                  | \$ -                  | \$ -                    | \$ -                   | \$ -                   |
| Fees   | 732,304               | 90,234                | 65,832                  | 135,956                | 3,475,095              |
| Intergovernmental  | -                     | -                     | -                       | -                      | -                      |
| Tax increment  | -                     | -                     | -                       | -                      | -                      |
| Rental income  | -                     | -                     | -                       | -                      | -                      |
| Interest   | -                     | 2,933                 | 1,801                   | 2,080                  | 11,081                 |
| Miscellaneous  | -                     | -                     | -                       | -                      | -                      |
| <b>Total Revenues</b>  | <b>732,304</b>        | <b>93,167</b>         | <b>67,633</b>           | <b>138,036</b>         | <b>3,486,176</b>       |
| <b>Expenditures:</b>   |                       |                       |                         |                        |                        |
| Current:   |                       |                       |                         |                        |                        |
| General government   | -                     | -                     | -                       | -                      | -                      |
| Public safety  | -                     | -                     | -                       | -                      | -                      |
| Highways and public<br>improvements                                  | -                     | -                     | -                       | 29,179                 | 2,491,971              |
| Parks and recreation   | 615,905               | -                     | -                       | -                      | -                      |
| Community development  | -                     | -                     | -                       | -                      | -                      |
| Debt service:  |                       |                       |                         |                        |                        |
| Principal  | -                     | -                     | -                       | -                      | -                      |
| Interest   | -                     | -                     | -                       | -                      | -                      |
| Bond issuance costs  | -                     | -                     | -                       | -                      | -                      |
| Capital outlay   | -                     | -                     | -                       | -                      | -                      |
| <b>Total Expenditures</b>  | <b>615,905</b>        | <b>-</b>              | <b>-</b>                | <b>29,179</b>          | <b>2,491,971</b>       |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>116,399</b>        | <b>93,167</b>         | <b>67,633</b>           | <b>108,857</b>         | <b>994,205</b>         |
| <b>Other Financing Sources (Uses):</b>                               |                       |                       |                         |                        |                        |
| Issuance of capital lease  | -                     | -                     | -                       | -                      | -                      |
| Transfers in   | -                     | -                     | -                       | -                      | -                      |
| Transfers out  | -                     | (36,500)              | (30,000)                | -                      | -                      |
| Sale of capital assets   | -                     | -                     | -                       | -                      | 65,000                 |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <b>-</b>              | <b>(36,500)</b>       | <b>(30,000)</b>         | <b>-</b>               | <b>65,000</b>          |
| <b>Net Change in Fund Balances</b>                                   | <b>116,399</b>        | <b>56,667</b>         | <b>37,633</b>           | <b>108,857</b>         | <b>1,059,205</b>       |
| <b>Fund Balances, Beginning</b>                                      | <b>1,032,078</b>      | <b>378,862</b>        | <b>456,011</b>          | <b>153,747</b>         | <b>1,115,283</b>       |
| <b>Fund Balances, Ending</b>   | <b>\$ 1,148,477</b>   | <b>\$ 435,529</b>     | <b>\$ 493,644</b>       | <b>\$ 262,604</b>      | <b>\$ 2,174,488</b>    |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**For The Year Ended June 30, 2009**

|  | Special Revenue Funds             |                  |                       | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------------|------------------|-----------------------|--|
|  | Cultural<br>Celebration<br>Center | Grants           | Building<br>Authority |  |
| <b>Revenues:</b>   |                                   |                  |                       |  |
| Annual passes and activity fees                                      | \$ -                              | \$ -             | \$ -                  | \$ 1,957,271                               |
| Fees   | -                                 | -                | -                     | 9,910,123                                  |
| Intergovernmental  | -                                 | 2,612,275        | -                     | 2,612,275                                  |
| Sales & hotel tax  | -                                 | -                | -                     | 270,046                                    |
| Rental income  | 162,375                           | -                | -                     | 4,325,119                                  |
| Interest   | -                                 | -                | 65,842                | 94,199                                     |
| Miscellaneous  | 390,685                           | -                | -                     | 427,098                                    |
| <b>Total Revenues</b>  | <b>553,060</b>                    | <b>2,612,275</b> | <b>65,842</b>         | <b>19,596,131</b>                          |
| <b>Expenditures:</b>   |                                   |                  |                       |  |
| Current:   |                                   |                  |                       |  |
| General government   | -                                 | 56,454           | -                     | 56,454                                     |
| Public safety  | -                                 | 965,023          | -                     | 965,023                                    |
| Highways and public<br>improvements                                  | -                                 | -                | -                     | 7,044,403                                  |
| Parks and recreation   | 1,699,314                         | -                | -                     | 9,413,381                                  |
| Community development  | -                                 | 1,308,629        | -                     | 1,308,629                                  |
| Debt service:  |                                   |                  |                       |  |
| Principal  | -                                 | 138,000          | 3,380,700             | 3,648,700                                  |
| Interest   | -                                 | 144,169          | 2,642,858             | 2,823,924                                  |
| Bond fees  | -                                 | -                | 24,204                | 24,204                                     |
| Capital outlay   | -                                 | -                | 2,038,769             | 2,038,769                                  |
| <b>Total Expenditures</b>  | <b>1,699,314</b>                  | <b>2,612,275</b> | <b>8,086,531</b>      | <b>27,323,487</b>                          |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <b>(1,146,254)</b>                | <b>-</b>         | <b>(8,020,689)</b>    | <b>(7,727,356)</b>                         |
| <b>Other Financing Sources (Uses):</b>                               |                                   |                  |                       |  |
| Issuance of capital lease  | -                                 | -                | 1,181,761             | 1,181,761                                  |
| Transfers in   | 1,001,829                         | -                | 6,347,192             | 13,163,602                                 |
| Transfers out  | -                                 | -                | -                     | (5,312,649)                                |
| Sale of capital assets   | -                                 | -                | -                     | 65,000                                     |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <b>1,001,829</b>                  | <b>-</b>         | <b>7,528,953</b>      | <b>9,097,714</b>                           |
| <b>Net Change in Fund Balances</b>                                   | <b>(144,425)</b>                  | <b>-</b>         | <b>(491,736)</b>      | <b>1,370,358</b>                           |
| <b>Fund Balances, Beginning</b>                                      | <b>(137,901)</b>                  | <b>18,703</b>    | <b>3,364,974</b>      | <b>4,378,347</b>                           |
| <b>Fund Balances, Ending</b>   | <b>\$ (282,326)</b>               | <b>\$ 18,703</b> | <b>\$ 2,873,238</b>   | <b>\$ 5,748,705</b>                        |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – MAJOR GOVERNMENTAL FUND**  
**For The Year Ended June 30, 2009**

|  | <b>Capital Projects</b> |              |                |                      |
|--|-------------------------|--------------|----------------|----------------------|
|  | <b>Budgeted Amounts</b> |              | <b>Actual</b>  | <b>Variance with</b> |
|  | <b>Original</b>         | <b>Final</b> | <b>Amounts</b> | <b>Final Budget</b>  |
| <b>Revenues:</b>                       |                         |              |                |                      |
| Interest                               | \$ -                    | \$ -         | \$ 106,149     | \$ 106,149           |
| Miscellaneous                          | -                       | -            | 67,622         | 67,622               |
| <b>Total Revenues</b>                  | -                       | -            | 173,771        | 173,771              |
| <b>Expenditures:</b>                   |                         |              |                |                      |
| Debt service:                          |                         |              |                |                      |
| Principal                              | 728,319                 | 728,319      | 865,194        | (136,875)            |
| Interest                               | -                       | -            | 117,424        | (117,424)            |
| Capital outlay                         | 8,040,729               | 12,363,688   | 5,334,670      | 7,029,018            |
| <b>Total Expenditures</b>              | 8,769,048               | 13,092,007   | 6,317,288      | 6,774,719            |
| <b>Excess (Deficiency) of Revenues</b> |                         |              |                |                      |
| <b>Over (Under) Expenditures</b>       | (8,769,048)             | (13,092,007) | (6,143,517)    | 6,948,490            |
| <b>Other Financing Sources (Uses):</b> |                         |              |                |                      |
| Sale of capital assets                 | -                       | -            | 28,301         | 28,301               |
| Transfers in                           | 2,769,048               | 9,181,145    | 10,792,320     | 1,611,175            |
| Transfers out                          | -                       | (1,112,671)  | (1,112,671)    | -                    |
| <b>Total Other Financing Sources</b>   |                         |              |                |                      |
| <b>(Uses)</b>                          | 2,769,048               | 8,068,474    | 9,707,950      | 1,639,476            |
| <b>Net Change in Fund Balances</b>     | (6,000,000)             | (5,023,533)  | 3,564,433      | 8,587,966            |
| <b>Fund Balances, Beginning</b>        | 10,891,435              | 10,891,435   | 10,891,435     | -                    |
| <b>Fund Balances, Ending</b>           | \$ 4,891,435            | \$ 5,867,902 | \$ 14,455,868  | \$ 8,587,966         |



**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended June 30, 2009**

|  | <u>Fitness Center - Special Revenue Fund</u> |                       |                       |                      |
|--|--|-----------------------|-----------------------|----------------------|
|  | <u>Budgeted Amounts</u>                      |                       | <u>Actual</u>         | <u>Variance with</u> |
|  | <u>Original</u>                              | <u>Final</u>          | <u>Amounts</u>        | <u>Final Budget</u>  |
| <b>Revenues:</b>                       |  |                       |                       |                      |
| Annual passes and activity fees        | \$ 1,895,000                                 | \$ 1,895,000          | \$ 1,957,271          | \$ 62,271            |
| Miscellaneous                          | 20,000                                       | 24,664                | 36,413                | 11,749               |
| <b>Total Revenues</b>                  | <u>1,915,000</u>                             | <u>1,919,664</u>      | <u>1,993,684</u>      | <u>74,020</u>        |
| <b>Expenditures:</b>                   |  |                       |                       |                      |
| Current:                               |  |                       |                       |                      |
| Parks and recreation                   | <u>2,649,582</u>                             | <u>2,654,246</u>      | <u>2,676,829</u>      | <u>(22,583)</u>      |
| <b>Total Expenditures</b>              | <u>2,649,582</u>                             | <u>2,654,246</u>      | <u>2,676,829</u>      | <u>(22,583)</u>      |
| <b>Excess (Deficiency) of Revenues</b> |  |                       |                       |                      |
| <b>Over (Under) Expenditures</b>       | <u>(734,582)</u>                             | <u>(734,582)</u>      | <u>(683,145)</u>      | <u>51,437</u>        |
| <b>Other Financing Sources (Uses):</b> |  |                       |                       |                      |
| Transfers in                           | 2,343,387                                    | 2,343,387             | 2,343,387             | -                    |
| Transfers out                          | <u>(1,608,805)</u>                           | <u>(1,608,805)</u>    | <u>(1,613,805)</u>    | <u>5,000</u>         |
| <b>Total Other Financing Sources</b>   |  |                       |                       |                      |
| <b>(Uses)</b>                          | <u>734,582</u>                               | <u>734,582</u>        | <u>729,582</u>        | <u>5,000</u>         |
| <b>Net Change in Fund Balances</b>     | -  | -                     | 46,437                | 46,437               |
| <b>Fund Balances, Beginning</b>        | <u>(1,629,478)</u>                           | <u>(1,629,478)</u>    | <u>(1,629,478)</u>    | <u>-</u>             |
| <b>Fund Balances, Ending</b>           | <u>\$ (1,629,478)</u>                        | <u>\$ (1,629,478)</u> | <u>\$ (1,583,041)</u> | <u>\$ 46,437</u>     |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Hale Theatre - Special Revenue Fund</b> |                  |                  |                      |
|--|--|------------------|------------------|----------------------|
|  | <b>Budgeted Amounts</b>                    |                  | <b>Actual</b>    | <b>Variance with</b> |
|  | <b>Original</b>                            | <b>Final</b>     | <b>Amounts</b>   | <b>Final Budget</b>  |
| <b>Revenues:</b>                       |  |                  |                  |                      |
| Rental income                          | \$ 406,514                                 | \$ 406,514       | \$ 406,515       | \$ 1                 |
| Interest                               | -  | -                | 1,824            | 1,824                |
| <b>Total Revenues</b>                  | <u>406,514</u>                             | <u>406,514</u>   | <u>408,339</u>   | <u>1,825</u>         |
| <b>Expenditures:</b>                   |  |                  |                  |                      |
| Current:                               |  |                  |                  |                      |
| Parks and recreation                   | 46,709                                     | 46,709           | 15,873           | 30,836               |
| <b>Total Expenditures</b>              | <u>46,709</u>                              | <u>46,709</u>    | <u>15,873</u>    | <u>30,836</u>        |
| <b>Excess (Deficiency) of Revenues</b> |  |                  |                  |                      |
| <b>Over (Under) Expenditures</b>       | <u>359,805</u>                             | <u>359,805</u>   | <u>392,466</u>   | <u>32,661</u>        |
| <b>Other Financing Sources (Uses):</b> |  |                  |                  |                      |
| Transfers in                           | 69,188                                     | 69,188           | 69,188           | -                    |
| Transfers out                          | (428,993)                                  | (428,993)        | (456,514)        | 27,521               |
| <b>Total Other Financing Sources</b>   |  |                  |                  |                      |
| <b>(Uses)</b>                          | <u>(359,805)</u>                           | <u>(359,805)</u> | <u>(387,326)</u> | <u>27,521</u>        |
| <b>Net Change in Fund Balances</b>     | -  | -                | 5,140            | 5,140                |
| <b>Fund Balances, Beginning</b>        | <u>29,674</u>                              | <u>29,674</u>    | <u>29,674</u>    | <u>-</u>             |
| <b>Fund Balances, Ending</b>           | <u>\$ 29,674</u>                           | <u>\$ 29,674</u> | <u>\$ 34,814</u> | <u>\$ 5,140</u>      |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>E Center - Special Revenue Fund</b> |                       |                       |                      |
|--|--|-----------------------|-----------------------|----------------------|
|  | <b>Budgeted Amounts</b>                |                       | <b>Actual</b>         | <b>Variance with</b> |
|  | <b>Original</b>                        | <b>Final</b>          | <b>Amounts</b>        | <b>Final Budget</b>  |
| <b>Revenues:</b>                       |  |                       |                       |                      |
| Sales & hotel tax                      | \$ 268,000                             | \$ 268,000            | \$ 270,046            | \$ 2,046             |
| Rental income                          | 3,438,300                              | 3,438,300             | 3,756,229             | 317,929              |
| Interest                               | -                                      | -                     | 842                   | 842                  |
| <b>Total Revenues</b>                  | <b>3,706,300</b>                       | <b>3,706,300</b>      | <b>4,027,117</b>      | <b>320,817</b>       |
| <b>Expenditures:</b>                   |  |                       |                       |                      |
| Current:                               |  |                       |                       |                      |
| Parks and recreation                   | 3,943,976                              | 3,943,976             | 4,405,460             | (461,484)            |
| <b>Total Expenditures</b>              | <b>3,943,976</b>                       | <b>3,943,976</b>      | <b>4,405,460</b>      | <b>(461,484)</b>     |
| <b>Excess (Deficiency) of Revenues</b> |  |                       |                       |                      |
| <b>Over (Under) Expenditures</b>       | <b>(237,676)</b>                       | <b>(237,676)</b>      | <b>(378,343)</b>      | <b>(140,667)</b>     |
| <b>Other Financing Sources (Uses):</b> |  |                       |                       |                      |
| Transfers in                           | 3,402,006                              | 3,402,006             | 3,402,006             | -                    |
| Transfers out                          | (3,164,330)                            | (3,164,330)           | (3,169,330)           | 5,000                |
| <b>Total Other Financing Sources</b>   |  |                       |                       |                      |
| <b>(Uses)</b>                          | <b>237,676</b>                         | <b>237,676</b>        | <b>232,676</b>        | <b>5,000</b>         |
| <b>Net Change in Fund Balances</b>     | <b>-</b>                               | <b>-</b>              | <b>(145,667)</b>      | <b>(145,667)</b>     |
| <b>Fund Balances, Beginning</b>        | <b>(1,867,970)</b>                     | <b>(1,867,970)</b>    | <b>(1,867,970)</b>    | <b>-</b>             |
| <b>Fund Balances, Ending</b>           | <b>\$ (1,867,970)</b>                  | <b>\$ (1,867,970)</b> | <b>\$ (2,013,637)</b> | <b>\$ (145,667)</b>  |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | Sanitation - Special Revenue Fund |                     |                     |                               |
|--|-----------------------------------|---------------------|---------------------|-------------------------------|
|  | Budgeted Amounts                  |                     | Actual<br>Amounts   | Variance with<br>Final Budget |
|  | Original                          | Final               |                     |                               |
| <b>Revenues:</b>   |                                   |                     |                     |                               |
| Fees   | \$ 4,495,944                      | \$ 4,495,944        | \$ 4,595,154        | \$ 99,210                     |
| <b>Total Revenues</b>  | <u>4,495,944</u>                  | <u>4,495,944</u>    | <u>4,595,154</u>    | <u>99,210</u>                 |
| <b>Expenditures:</b>   |                                   |                     |                     |                               |
| Current:   |                                   |                     |                     |                               |
| Highways and public<br>improvements                                  | 4,321,765                         | 4,321,765           | 4,129,982           | 191,783                       |
| Debt service:  |                                   |                     |                     |                               |
| Principal  | 130,000                           | 130,000             | 130,000             | -                             |
| Interest   | <u>37,679</u>                     | <u>37,679</u>       | <u>36,897</u>       | <u>782</u>                    |
| <b>Total Expenditures</b>  | <u>4,489,444</u>                  | <u>4,489,444</u>    | <u>4,296,879</u>    | <u>192,565</u>                |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>6,500</u>                      | <u>6,500</u>        | <u>298,275</u>      | <u>291,775</u>                |
| <b>Other Financing Sources (Uses):</b>                               |                                   |                     |                     |                               |
| Proceeds from issuance of bonds                                      | -                                 | 1,000,000           | -                   | 1,000,000                     |
| Transfers in   | -                                 | -                   | -                   | -                             |
| Transfers out  | <u>(6,500)</u>                    | <u>(6,500)</u>      | <u>(6,500)</u>      | <u>-</u>                      |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <u>(6,500)</u>                    | <u>993,500</u>      | <u>(6,500)</u>      | <u>1,000,000</u>              |
| <b>Net Change in Fund Balances</b>                                   | -                                 | 1,000,000           | 291,775             | (708,225)                     |
| <b>Fund Balances, Beginning</b>                                      | <u>1,165,232</u>                  | <u>1,165,232</u>    | <u>1,165,232</u>    | <u>-</u>                      |
| <b>Fund Balances, Ending</b>   | <u>\$ 1,165,232</u>               | <u>\$ 2,165,232</u> | <u>\$ 1,457,007</u> | <u>\$ (708,225)</u>           |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Road Impact Fee - Special Revenue Fund</b> |                     |                   |                      |
|--|---|---------------------|-------------------|----------------------|
|  | <b>Budgeted Amounts</b>                       |                     | <b>Actual</b>     | <b>Variance with</b> |
|  | <b>Original</b>                               | <b>Final</b>        | <b>Amounts</b>    | <b>Final Budget</b>  |
| <b>Revenues:</b>   |   |                     |                   |                      |
| Fees   | \$ 650,000                                    | \$ 650,000          | \$ 815,548        | \$ 165,548           |
| Interest   | -   | -                   | 7,796             | 7,796                |
| <b>Total Revenues</b>  | <b>650,000</b>                                | <b>650,000</b>      | <b>823,344</b>    | <b>173,344</b>       |
| <b>Expenditures:</b>   |   |                     |                   |                      |
| Current:   |   |                     |                   |                      |
| Highways and public improvements                                 | 650,000                                       | 1,100,000           | 393,271           | 706,729              |
| <b>Total Expenditures</b>  | <b>650,000</b>                                | <b>1,100,000</b>    | <b>393,271</b>    | <b>706,729</b>       |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <b>-</b>                                      | <b>(450,000)</b>    | <b>430,073</b>    | <b>880,073</b>       |
| <b>Other Financing Sources (Uses):</b>                           |   |                     |                   |                      |
| Transfers in   | -   | -                   | -                 | -                    |
| Transfers out  | -   | -                   | -                 | -                    |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>-</b>                                      | <b>-</b>            | <b>-</b>          | <b>-</b>             |
| <b>Net Change in Fund Balances</b>                               | <b>-</b>                                      | <b>(450,000)</b>    | <b>430,073</b>    | <b>880,073</b>       |
| <b>Fund Balances, Beginning</b>                                  | <b>299,132</b>                                | <b>299,132</b>      | <b>299,132</b>    | <b>-</b>             |
| <b>Fund Balances, Ending</b>                                     | <b>\$ 299,132</b>                             | <b>\$ (150,868)</b> | <b>\$ 729,205</b> | <b>\$ 880,073</b>    |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Park Impact Fee - Special Revenue Fund</b> |                   |                     |                      |
|--|---|-------------------|---------------------|----------------------|
|  | <b>Budgeted Amounts</b>                       |                   | <b>Actual</b>       | <b>Variance with</b> |
|  | <b>Original</b>                               | <b>Final</b>      | <b>Amounts</b>      | <b>Final Budget</b>  |
| <b>Revenues:</b>                       |   |                   |                     |                      |
| Fees                                   | \$ 280,000                                    | \$ 575,000        | \$ 732,304          | \$ 157,304           |
| <b>Total Revenues</b>                  | <u>280,000</u>                                | <u>575,000</u>    | <u>732,304</u>      | <u>157,304</u>       |
| <b>Expenditures:</b>                   |   |                   |                     |                      |
| Current:                               |   |                   |                     |                      |
| Parks and recreation                   | 280,000                                       | 1,341,000         | 615,905             | 725,095              |
| <b>Total Expenditures</b>              | <u>280,000</u>                                | <u>1,341,000</u>  | <u>615,905</u>      | <u>725,095</u>       |
| <b>Excess (Deficiency) of Revenues</b> |   |                   |                     |                      |
| <b>Over (Under) Expenditures</b>       | <u>-</u>                                      | <u>(766,000)</u>  | <u>116,399</u>      | <u>882,399</u>       |
| <b>Other Financing Sources (Uses):</b> |   |                   |                     |                      |
| Transfers in                           | -   | -                 | -                   | -                    |
| Transfers out                          | <u>-</u>                                      | <u>-</u>          | <u>-</u>            | <u>-</u>             |
| <b>Total Other Financing Sources</b>   |   |                   |                     |                      |
| <b>(Uses)</b>                          | <u>-</u>                                      | <u>-</u>          | <u>-</u>            | <u>-</u>             |
| <b>Net Change in Fund Balances</b>     | <u>-</u>                                      | <u>(766,000)</u>  | <u>116,399</u>      | <u>882,399</u>       |
| <b>Fund Balances, Beginning</b>        | <u>1,032,078</u>                              | <u>1,032,078</u>  | <u>1,032,078</u>    | <u>-</u>             |
| <b>Fund Balances, Ending</b>           | <u>\$ 1,032,078</u>                           | <u>\$ 266,078</u> | <u>\$ 1,148,477</u> | <u>\$ 882,399</u>    |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Fire Impact Fee - Special Revenue Fund</b> |                   |                   |                      |
|--|---|-------------------|-------------------|----------------------|
|  | <b>Budgeted Amounts</b>                       |                   | <b>Actual</b>     | <b>Variance with</b> |
|  | <b>Original</b>                               | <b>Final</b>      | <b>Amounts</b>    | <b>Final Budget</b>  |
| <b>Revenues:</b>                       |   |                   |                   |                      |
| Fees                                   | \$ 36,500                                     | \$ 36,500         | \$ 90,234         | \$ 53,734            |
| Interest                               |   |                   | 2,933             | 2,933                |
| <b>Total Revenues</b>                  | <b>36,500</b>                                 | <b>36,500</b>     | <b>93,167</b>     | <b>56,667</b>        |
| <b>Expenditures:</b>                   |   |                   |                   |                      |
| Current:                               |   |                   |                   |                      |
| Public safety                          | -   | -                 | -                 | -                    |
| <b>Total Expenditures</b>              | <b>-</b>                                      | <b>-</b>          | <b>-</b>          | <b>-</b>             |
| <b>Excess (Deficiency) of Revenues</b> |   |                   |                   |                      |
| <b>Over (Under) Expenditures</b>       | <b>36,500</b>                                 | <b>36,500</b>     | <b>93,167</b>     | <b>56,667</b>        |
| <b>Other Financing Sources (Uses):</b> |   |                   |                   |                      |
| Transfers in                           | -   | -                 | -                 | -                    |
| Transfers out                          | (36,500)                                      | (36,500)          | (36,500)          | -                    |
| <b>Total Other Financing Sources</b>   |   |                   |                   |                      |
| <b>(Uses)</b>                          | <b>(36,500)</b>                               | <b>(36,500)</b>   | <b>(36,500)</b>   | <b>-</b>             |
| <b>Net Change in Fund Balances</b>     | <b>-</b>                                      | <b>-</b>          | <b>56,667</b>     | <b>56,667</b>        |
| <b>Fund Balances, Beginning</b>        | <b>378,862</b>                                | <b>378,862</b>    | <b>378,862</b>    | <b>-</b>             |
| <b>Fund Balances, Ending</b>           | <b>\$ 378,862</b>                             | <b>\$ 378,862</b> | <b>\$ 435,529</b> | <b>\$ 56,667</b>     |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Police Impact Fee - Special Revenue Fund</b> |                   |                           |                                       |
|--|---|-------------------|---------------------------|---------------------------------------|
|  | <b>Budgeted Amounts</b>                         |                   | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget</b> |
|  | <b>Original</b>                                 | <b>Final</b>      |                           |                                       |
| <b>Revenues:</b>   |   |                   |                           |                                       |
| Fees   | \$ 55,000                                       | \$ 55,000         | \$ 65,832                 | \$ 10,832                             |
| Interest   | -   | -                 | 1,801                     | 1,801                                 |
| <b>Total Revenues</b>  | <u>55,000</u>                                   | <u>55,000</u>     | <u>67,633</u>             | <u>12,633</u>                         |
| <b>Expenditures:</b>   |   |                   |                           |                                       |
| Current:   |   |                   |                           |                                       |
| Public safety  | <u>25,000</u>                                   | <u>25,000</u>     | <u>-</u>                  | <u>25,000</u>                         |
| <b>Total Expenditures</b>  | <u>25,000</u>                                   | <u>25,000</u>     | <u>-</u>                  | <u>25,000</u>                         |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>30,000</u>                                   | <u>30,000</u>     | <u>67,633</u>             | <u>37,633</u>                         |
| <b>Other Financing Sources (Uses):</b>                               |   |                   |                           |                                       |
| Transfers in   | -   | -                 | -                         | -                                     |
| Transfers out  | <u>(30,000)</u>                                 | <u>(30,000)</u>   | <u>(30,000)</u>           | <u>-</u>                              |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <u>(30,000)</u>                                 | <u>(30,000)</u>   | <u>(30,000)</u>           | <u>-</u>                              |
| <b>Net Change in Fund Balances</b>                                   | -   | -                 | 37,633                    | 37,633                                |
| <b>Fund Balances, Beginning</b>                                      | <u>456,011</u>                                  | <u>456,011</u>    | <u>456,011</u>            | <u>-</u>                              |
| <b>Fund Balances, Ending</b>   | <u>\$ 456,011</u>                               | <u>\$ 456,011</u> | <u>\$ 493,644</u>         | <u>\$ 37,633</u>                      |



**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | Flood Impact Fee - Special Revenue Fund |             |                   |                               |
|--|---|-------------|-------------------|-------------------------------|
|  | Budgeted Amounts                        |             | Actual<br>Amounts | Variance with<br>Final Budget |
|  | Original                                | Final       |                   |                               |
| <b>Revenues:</b>   |   |             |                   |                               |
| Fees   | \$ -                                    | \$ -        | \$ 135,956        | \$ 135,956                    |
| Interest   | -                                       | -           | 2,080             | 2,080                         |
| <b>Total Revenues</b>  | -                                       | -           | 138,036           | 138,036                       |
| <b>Expenditures:</b>   |   |             |                   |                               |
| Current:   |   |             |                   |                               |
| Highways and public<br>improvements                                  | 200,000                                 | 200,000     | 29,179            | 170,821                       |
| <b>Total Expenditures</b>  | 200,000                                 | 200,000     | 29,179            | 170,821                       |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | (200,000)                               | (200,000)   | 108,857           | 308,857                       |
| <b>Other Financing Sources (Uses):</b>                               |   |             |                   |                               |
| Transfers in   | -                                       | -           | -                 | -                             |
| Transfers out  | -                                       | -           | -                 | -                             |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | -                                       | -           | -                 | -                             |
| <b>Net Change in Fund Balances</b>                                   | (200,000)                               | (200,000)   | 108,857           | 308,857                       |
| <b>Fund Balances, Beginning</b>                                      | 153,747                                 | 153,747     | 153,747           | -                             |
| <b>Fund Balances, Ending</b>   | \$ (46,253)                             | \$ (46,253) | \$ 262,604        | \$ 308,857                    |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | Stormwater Drainage - Special Revenue Fund |                   |                     |                               |
|--|--|-------------------|---------------------|-------------------------------|
|  | Budgeted Amounts                           |                   | Actual<br>Amounts   | Variance with<br>Final Budget |
|  | Original                                   | Final             |                     |                               |
| <b>Revenues:</b>   |  |                   |                     |                               |
| Fees   | \$ 3,323,865                               | \$ 3,323,865      | \$ 3,475,095        | \$ 151,230                    |
| Interest   | -  | -                 | 11,081              | 11,081                        |
| <b>Total Revenues</b>  | <u>3,323,865</u>                           | <u>3,323,865</u>  | <u>3,486,176</u>    | <u>162,311</u>                |
| <b>Expenditures:</b>   |  |                   |                     |                               |
| Current:   |  |                   |                     |                               |
| Highways and public<br>improvements                                  | <u>3,323,865</u>                           | <u>4,037,865</u>  | <u>2,491,971</u>    | <u>1,545,894</u>              |
| <b>Total Expenditures</b>  | <u>3,323,865</u>                           | <u>4,037,865</u>  | <u>2,491,971</u>    | <u>1,545,894</u>              |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>-</u>                                   | <u>(714,000)</u>  | <u>994,205</u>      | <u>1,708,205</u>              |
| <b>Other Financing Sources (Uses):</b>                               |  |                   |                     |                               |
| Sale of capital assets   | -  | -                 | 65,000              | 65,000                        |
| Transfers in   | -  | -                 | -                   | -                             |
| Transfers out  | <u>-</u>                                   | <u>-</u>          | <u>-</u>            | <u>-</u>                      |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <u>-</u>                                   | <u>-</u>          | <u>65,000</u>       | <u>65,000</u>                 |
| <b>Net Change in Fund Balances</b>                                   | <u>-</u>                                   | <u>(714,000)</u>  | <u>1,059,205</u>    | <u>1,773,205</u>              |
| <b>Fund Balances, Beginning</b>                                      | <u>1,115,283</u>                           | <u>1,115,283</u>  | <u>1,115,283</u>    | <u>-</u>                      |
| <b>Fund Balances, Ending</b>   | <u>\$ 1,115,283</u>                        | <u>\$ 401,283</u> | <u>\$ 2,174,488</u> | <u>\$ 1,773,205</u>           |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Cultural Celebration Center - Special Revenue Fund</b> |                       |                     |                      |
|--|---|-----------------------|---------------------|----------------------|
|  | <b>Budgeted Amounts</b>                                   |                       | <b>Actual</b>       | <b>Variance with</b> |
|  | <b>Original</b>   | <b>Final</b>          | <b>Amounts</b>      | <b>Final Budget</b>  |
| <b>Revenues:</b>                       |   |                       |                     |                      |
| Rental income                          | \$ 194,597  | \$ 194,597            | \$ 162,375          | \$ (32,222)          |
| Miscellaneous                          | -   | 10,000                | 390,685             | 380,685              |
| <b>Total Revenues</b>                  | <b>194,597</b>  | <b>204,597</b>        | <b>553,060</b>      | <b>348,463</b>       |
| <b>Expenditures:</b>                   |   |                       |                     |                      |
| Current:                               |   |                       |                     |                      |
| Parks and recreation                   | 1,083,755   | 1,907,723             | 1,699,314           | 208,409              |
| <b>Total Expenditures</b>              | <b>1,083,755</b>  | <b>1,907,723</b>      | <b>1,699,314</b>    | <b>208,409</b>       |
| <b>Excess (Deficiency) of Revenues</b> |   |                       |                     |                      |
| <b>Over (Under) Expenditures</b>       | <b>(889,158)</b>  | <b>(1,703,126)</b>    | <b>(1,146,254)</b>  | <b>556,872</b>       |
| <b>Other Financing Sources (Uses):</b> |   |                       |                     |                      |
| Transfers in                           | 889,158   | 1,001,829             | 1,001,829           | -                    |
| Transfers out                          | -   | (265,700)             | -                   | 265,700              |
| <b>Total Other Financing Sources</b>   |   |                       |                     |                      |
| <b>(Uses)</b>                          | <b>889,158</b>  | <b>736,129</b>        | <b>1,001,829</b>    | <b>265,700</b>       |
| <b>Net Change in Fund Balances</b>     | <b>-</b>  | <b>(966,997)</b>      | <b>(144,425)</b>    | <b>822,572</b>       |
| <b>Fund Balances, Beginning</b>        | <b>(137,901)</b>  | <b>(137,901)</b>      | <b>(137,901)</b>    | <b>-</b>             |
| <b>Fund Balances, Ending</b>           | <b>\$ (137,901)</b>                                       | <b>\$ (1,104,898)</b> | <b>\$ (282,326)</b> | <b>\$ 822,572</b>    |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|  | <b>Grants - Special Revenue Fund</b> |                     |                           |                                       |
|--|--------------------------------------|---------------------|---------------------------|---------------------------------------|
|  | <b>Budgeted Amounts</b>              |                     | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget</b> |
|  | <b>Original</b>                      | <b>Final</b>        |                           |                                       |
| <b>Revenues:</b>   |                                      |                     |                           |                                       |
| Intergovernmental  | \$ 1,768,174                         | \$ 3,532,438        | \$ 2,612,275              | \$ (920,163)                          |
| <b>Total Revenues</b>  | <u>1,768,174</u>                     | <u>3,532,438</u>    | <u>2,612,275</u>          | <u>(920,163)</u>                      |
| <b>Expenditures:</b>   |                                      |                     |                           |                                       |
| Current:   |                                      |                     |                           |                                       |
| General government   | -                                    | 47,162              | 56,454                    | (9,292)                               |
| Public safety  | 133,772                              | 850,571             | 965,023                   | (114,452)                             |
| Community development  | 1,128,032                            | 1,353,249           | 1,308,629                 | 44,620                                |
| Debt service:  |                                      |                     |                           |                                       |
| Principal  | -                                    | 138,000             | 138,000                   |                                       |
| Interest   | -                                    | 144,169             | 144,169                   |                                       |
| <b>Total Expenditures</b>  | <u>1,261,804</u>                     | <u>2,533,151</u>    | <u>2,612,275</u>          | <u>(79,124)</u>                       |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | <u>506,370</u>                       | <u>999,287</u>      | <u>-</u>                  | <u>(999,287)</u>                      |
| <b>Other Financing Sources (Uses):</b>                               |                                      |                     |                           |                                       |
| Transfers in   | -                                    | -                   | -                         | -                                     |
| Transfers out  | -                                    | -                   | -                         | -                                     |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | <u>-</u>                             | <u>-</u>            | <u>-</u>                  | <u>-</u>                              |
| <b>Net Change in Fund Balances</b>                                   | <u>506,370</u>                       | <u>999,287</u>      | <u>-</u>                  | <u>(999,287)</u>                      |
| <b>Fund Balances, Beginning</b>                                      | <u>18,703</u>                        | <u>18,703</u>       | <u>18,703</u>             | <u>-</u>                              |
| <b>Fund Balances, Ending</b>   | <u>\$ 525,073</u>                    | <u>\$ 1,017,990</u> | <u>\$ 18,703</u>          | <u>\$ (999,287)</u>                   |

**WEST VALLEY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

| <b>Building Authority - Special Revenue Fund</b>                     |                         |              |                           |                                       |
|--|-------------------------|--------------|---------------------------|---------------------------------------|
|  | <b>Budgeted Amounts</b> |              | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget</b> |
|  | <b>Original</b>         | <b>Final</b> |                           |                                       |
| <b>Revenues:</b>   |                         |              |                           |                                       |
| Interest   | \$ -                    | \$ -         | \$ 65,842                 | \$ 65,842                             |
| <b>Total Revenues</b>  | -                       | -            | 65,842                    | 65,842                                |
| <b>Expenditures:</b>   |                         |              |                           |                                       |
| Debt service:  |                         |              |                           |                                       |
| Principal  | 3,209,207               | 3,072,522    | 3,380,700                 | (308,178)                             |
| Interest   | 3,577,055               | 3,592,055    | 2,642,858                 | 949,197                               |
| Bond fees  | -                       | -            | 24,204                    | (24,204)                              |
| Capital outlay   | 280,000                 | 2,004,040    | 2,038,769                 | (34,729)                              |
| <b>Total Expenditures</b>  | 7,066,262               | 8,668,617    | 8,086,531                 | 582,086                               |
| <b>Excess (Deficiency) of Revenues<br/>Over (Under) Expenditures</b> | (7,066,262)             | (8,668,617)  | (8,020,689)               | 647,928                               |
| <b>Other Financing Sources (Uses):</b>                               |                         |              |                           |                                       |
| Issuance of capital lease  | -                       | 1,724,040    | 1,181,761                 | (542,279)                             |
| Transfers in   | 7,066,262               | 6,924,577    | 6,347,192                 | (577,385)                             |
| Transfers out  | -                       | -            | -                         | -                                     |
| <b>Total Other Financing Sources<br/>(Uses)</b>                      | 7,066,262               | 8,648,617    | 7,528,953                 | (1,119,664)                           |
| <b>Net Change in Fund Balances</b>                                   | -                       | (20,000)     | (491,736)                 | (471,736)                             |
| <b>Fund Balances, Beginning</b>                                      | 3,364,974               | 3,364,974    | 3,364,974                 | -                                     |
| <b>Fund Balances, Ending</b>   | \$ 3,364,974            | \$ 3,344,974 | \$ 2,873,238              | \$ (471,736)                          |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2009**

|                                | Business-type Activities - Enterprise Funds |                     |   |
|--------------------------------|---|---------------------|---|
|                                | Housing<br>Authority                        | Ambulance<br>Fund   | Total<br>Nonmajor<br>Proprietary<br>Funds |
| <b>Assets:</b>                 |   |                     |   |
| Current Assets:                |   |                     |   |
| Cash and cash equivalents      | \$ 1,436,965                                | \$ -                | \$ 1,436,965                              |
| Accounts receivable, net       | 254,437                                     | 699,718             | 954,155                                   |
| Due from other funds           | 1,298,953                                   | -                   | 1,298,953                                 |
| <b>Total Current Assets</b>    | <b>2,990,355</b>                            | <b>699,718</b>      | <b>3,690,073</b>                          |
| Noncurrent Assets:             |   |                     |   |
| Capital assets, net:           |   |                     |   |
| Land                           | 179,070                                     | -                   | 179,070                                   |
| Buildings                      | 509,355                                     | -                   | 509,355                                   |
| Machinery and equipment        | 21,794                                      | 781,336             | 803,130                                   |
| <b>Total Noncurrent Assets</b> | <b>710,219</b>                              | <b>781,336</b>      | <b>1,491,555</b>                          |
| <b>Total Assets</b>            | <b>\$ 3,700,574</b>                         | <b>\$ 1,481,054</b> | <b>\$ 5,181,628</b>                       |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
**(Continued)**  
**June 30, 2009**

|  | Business-type Activities - Enterprise Funds |                     |   |
|--|---|---------------------|---|
|  | Housing<br>Authority                        | Ambulance<br>Fund   | Total<br>Nonmajor<br>Proprietary<br>Funds |
| <b>Liabilities:</b>                                |   |                     |   |
| <b>Current Liabilities:</b>                        |   |                     |   |
| Accounts payable                                   | \$ 38,961                                   | \$ -                | \$ 38,961                                 |
| Accrued liabilities                                | 119,371                                     | 149,814             | 269,185                                   |
| Deferred revenue                                   | 633,492                                     | -                   | 633,492                                   |
| Bonds Payable                                      | -   | 20,000              | 20,000                                    |
| Capital Lease                                      | -   | 150,536             | 150,536                                   |
| Due to other funds                                 | -   | 1,426,999           | 1,426,999                                 |
| <b>Total Current Liabilities</b>                   | <u>791,824</u>                              | <u>1,747,349</u>    | <u>2,539,173</u>                          |
| <b>Noncurrent Liability</b>                        |   |                     |   |
| Bonds Payable, net                                 | -   | 63,000              | 63,000                                    |
| <b>Total Noncurrent Liability</b>                  | <u>-</u>                                    | <u>63,000</u>       | <u>63,000</u>                             |
| <b>Total Liabilities</b>                           | <u>791,824</u>                              | <u>1,810,349</u>    | <u>2,602,173</u>                          |
| <b>Net Assets:</b>                                 |   |                     |   |
| Invested in capital assets,<br>net of related debt | 710,219                                     | 547,800             | 1,258,019                                 |
| Unrestricted                                       | <u>2,198,531</u>                            | <u>(877,095)</u>    | <u>1,321,436</u>                          |
| <b>Total Net Assets</b>                            | <u>2,908,750</u>                            | <u>(329,295)</u>    | <u>2,579,455</u>                          |
| <b>Total Liabilities and Net Assets</b>            | <u>\$ 3,700,574</u>                         | <u>\$ 1,481,054</u> | <u>\$ 5,181,628</u>                       |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND**  
**NET ASSETS – NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2009**

|  | Business-type Activities - Enterprise Funds |                     |   |
|--|---|---------------------|---|
|  | Housing<br>Authority                        | Ambulance<br>Fund   | Total<br>Nonmajor<br>Proprietary<br>Funds |
| <b>Operating Revenues:</b>                     |   |                     |   |
| Ambulance fees                                 | \$ -  | \$ 1,676,047        | \$ 1,676,047                              |
| Equipment and facility rents                   | 74,614                                      | -                   | 74,614                                    |
| Miscellaneous                                  | 122,902                                     | -                   | 122,902                                   |
| <b>Total Operating Revenues</b>                | <b>197,516</b>                              | <b>1,676,047</b>    | <b>1,873,563</b>                          |
| <b>Operating Expenses:</b>                     |   |                     |   |
| General and administrative                     | 686,159                                     | 1,642,206           | 2,328,365                                 |
| Housing Payments                               | 2,870,802                                   | -                   | 2,870,802                                 |
| Depreciation                                   | 34,229                                      | 137,012             | 171,241                                   |
| <b>Total Operating Expenses</b>                | <b>3,591,190</b>                            | <b>1,779,218</b>    | <b>5,370,408</b>                          |
| <b>Operating Income (loss)</b>                 | <b>(3,393,674)</b>                          | <b>(103,171)</b>    | <b>(3,496,845)</b>                        |
| <b>Nonoperating Income (Expense):</b>          |   |                     |   |
| Intergovernmental revenue                      | 3,265,560                                   | -                   | 3,265,560                                 |
| Interest income                                | 7,243                                       | -                   | 7,243                                     |
| Interest expense                               | -   | (17,093)            | (17,093)                                  |
| <b>Total Nonoperating Income<br/>(Expense)</b> | <b>3,272,803</b>                            | <b>(17,093)</b>     | <b>3,255,710</b>                          |
| <b>Income (Loss) Before Transfers</b>          | <b>(120,871)</b>                            | <b>(120,264)</b>    | <b>(241,135)</b>                          |
| <b>Transfers in</b>                            | <b>-</b>                                    | <b>3,450</b>        | <b>3,450</b>                              |
| <b>Changes in Net Assets</b>                   | <b>(120,871)</b>                            | <b>(116,814)</b>    | <b>(237,685)</b>                          |
| <b>Net Assets, Beginning</b>                   | <b>3,029,621</b>                            | <b>(212,481)</b>    | <b>2,817,140</b>                          |
| <b>Net Assets, Ending</b>                      | <b>\$ 2,908,750</b>                         | <b>\$ (329,295)</b> | <b>\$ 2,579,455</b>                       |



**WEST VALLEY CITY**  
**COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS**  
**For The Year Ended June 30, 2009**

|  | Business-type Activities - Enterprise Funds |                   |   |
|--|---|-------------------|---|
|  | Housing<br>Authority                        | Ambulance<br>Fund | Total<br>Nonmajor<br>Proprietary<br>Funds |
| <b>Cash Flows From Operating Activities:</b>                     |   |                   |   |
| Receipts from customers and users                                | \$ 197,516                                  | \$ 1,505,283      | \$ 1,702,799                              |
| Payments to suppliers  | (3,304,733)                                 | (220,665)         | (3,525,398)                               |
| Payments to employees and related benefits                       | (179,000)                                   | (1,426,375)       | (1,605,375)                               |
| <b>Net cash from operating activities</b>                        | <b>(3,286,217)</b>                          | <b>(141,757)</b>  | <b>(3,427,974)</b>                        |
| <b>Cash Flows From Capital and Related Financing Activities:</b> |   |                   |   |
| Purchase of equipment/improvements                               | (24,649)                                    | (138,975)         | (163,624)                                 |
| Principal paid on bonds and capital lease                        | -   | (312,177)         | (312,177)                                 |
| Interest paid on bonds and capital lease                         | -   | (17,093)          | (17,093)                                  |
| <b>Net cash from capital and related financing activities</b>    | <b>(24,649)</b>                             | <b>(468,245)</b>  | <b>(492,894)</b>                          |
| <b>Cash Flows From Non-Capital Financing Activities:</b>         |   |                   |   |
| Subsidy from federal grants                                      | 3,007,381                                   | -                 | 3,007,381                                 |
| Advances to other funds  | (14,161)                                    | -                 | (14,161)                                  |
| Advances from other funds  | -   | 606,552           | 606,552                                   |
| Net transfers to other funds                                     | -   | 3,450             | 3,450                                     |
| <b>Net cash from non-capital financing activities</b>            | <b>2,993,220</b>                            | <b>610,002</b>    | <b>3,603,222</b>                          |
| <b>Cash Flows From Investing Activity:</b>                       |   |                   |   |
| Interest on investments  | 7,243                                       | -                 | 7,243                                     |
| <b>Net cash from investing activity</b>                          | <b>7,243</b>                                | <b>-</b>          | <b>7,243</b>                              |
| <b>Net Increase (Decrease) In Cash</b>                           | <b>(310,403)</b>                            | <b>-</b>          | <b>(310,403)</b>                          |
| <b>Cash and Cash Equivalents At Beginning Of Year</b>            | <b>1,747,368</b>                            | <b>-</b>          | <b>1,747,368</b>                          |
| <b>Cash and Cash Equivalents At End Of Year</b>                  | <b>\$ 1,436,965</b>                         | <b>\$ -</b>       | <b>\$ 1,436,965</b>                       |

**WEST VALLEY CITY**  
**COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS**  
**(Continued)**  
**For The Year Ended June 30, 2009**

|   | <u>Business-type Activities - Enterprise Funds</u> |                           |   |
|---|--|---------------------------|---|
|   | <u>Housing<br/>Authority</u>                       | <u>Ambulance<br/>Fund</u> | <u>Total<br/>Nonmajor<br/>Proprietary<br/>Funds</u> |
| <b>Reconciliation of operating income (loss) to<br/>net cash flows from operating activities:</b> |  |                           |   |
| Operating income (loss)   | \$ (3,393,674)                                     | \$ (103,171)              | \$ (3,496,845)                                      |
| Adjustments to reconcile operating income (loss)<br>to net cash flows from operating activities:  |  |                           |   |
| Depreciation expense  | 34,229   | 137,012                   | 171,241   |
| (Increase) Decrease in accounts receivables   | -  | (170,764)                 | (170,764)   |
| Increase (Decrease) in accounts payable   | 2,770  | (2,986)                   | (216)   |
| Increase (Decrease) in accrued liabilities  | 70,458   | (1,848)                   | 68,610  |
| <b>Net cash from operating activities</b>   | <u>\$ (3,286,217)</u>                              | <u>\$ (141,757)</u>       | <u>\$ (3,427,974)</u>                               |

## WEST VALLEY CITY

### STATISTICAL SECTION

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This part of the City's comprehensive annual financial report presents detailed information as a context of understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

#### Contents

- . Financial trends--these schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- . Revenue Capacity--these schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.
- . Debt Capacity--these schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- . Demographic and Economic Information--these schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- . Operating information--these schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

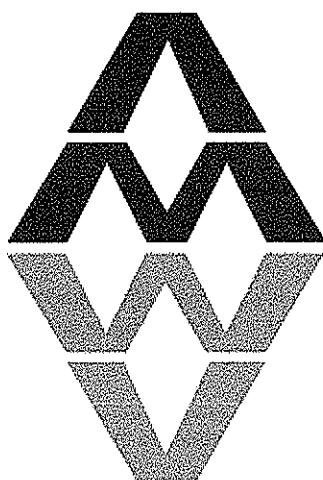


Table 1

**West Valley City**  
**Net Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

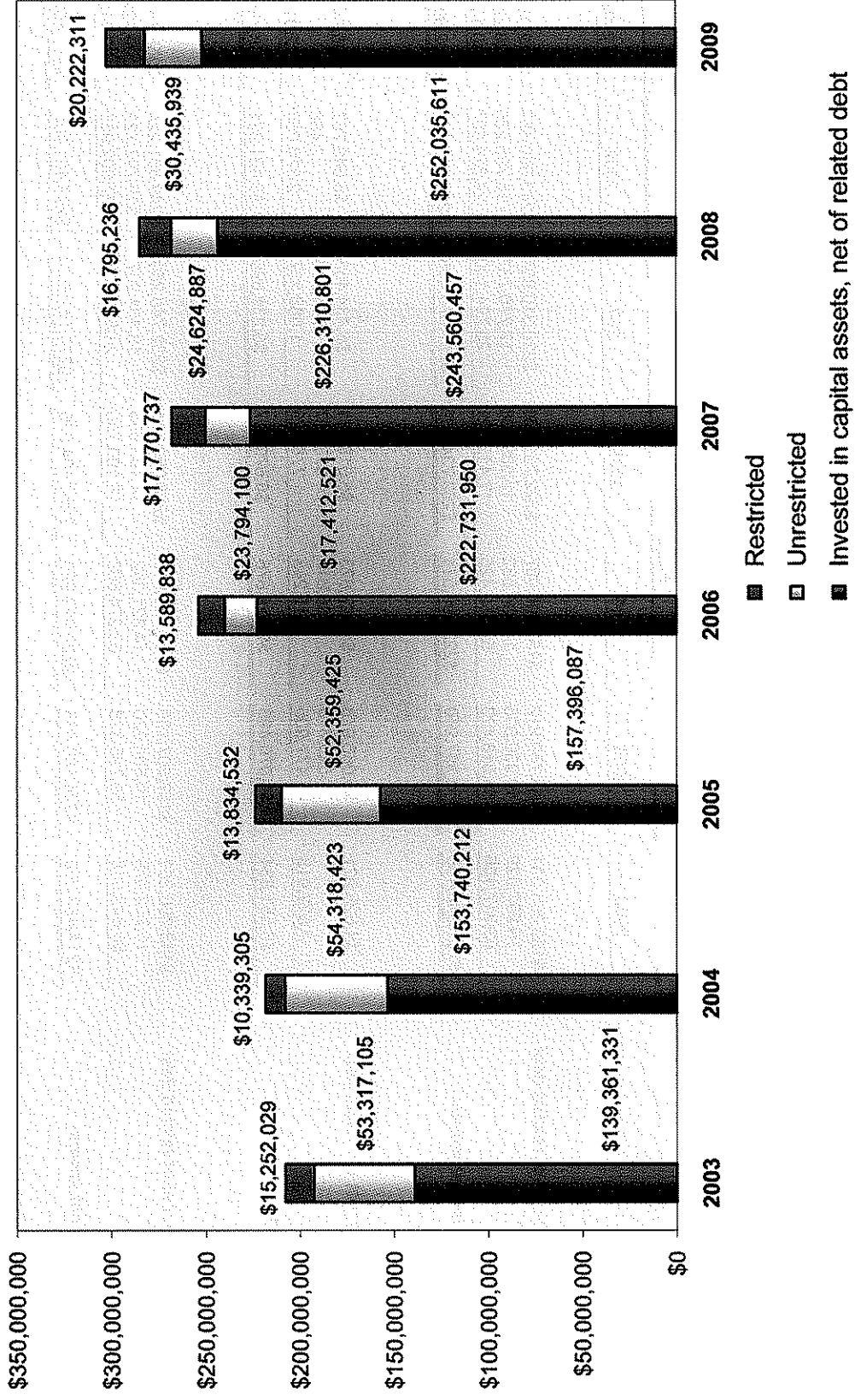
|  | Fiscal Year          |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2003                 | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
| <b>Governmental activities</b>                   |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | \$139,361,331        | \$153,740,212        | \$157,396,087        | \$222,731,950        | \$226,310,801        | \$243,560,457        | \$252,035,611        |
| Restricted                                       | 15,252,029           | 10,339,305           | 13,834,532           | 13,589,838           | 17,770,737           | 16,795,236           | 20,222,311           |
| Unrestricted                                     | 53,317,105           | 54,318,423           | 52,359,425           | 17,412,521           | 23,794,100           | 24,624,887           | 30,435,939           |
| <b>Total governmental activities net assets</b>  | <b>\$207,930,465</b> | <b>\$218,397,940</b> | <b>\$223,590,044</b> | <b>\$253,734,309</b> | <b>\$267,875,638</b> | <b>\$284,980,580</b> | <b>\$302,693,861</b> |
| <b>Business-type activities</b>                  |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | \$4,028,921          | \$4,066,978          | \$4,927,823          | \$5,318,631          | \$6,434,458          | \$6,040,767          | \$6,745,381          |
| Restricted                                       | -                    | 525,615              | 486,810              | 573,757              | 714,200              | 2,486                | -                    |
| Unrestricted                                     | 2,522,913            | 1,477,905            | 915,243              | 778,229              | 1,088,237            | 2,378,088            | 2,012,992            |
| <b>Total business-type activities net assets</b> | <b>\$6,551,834</b>   | <b>\$6,070,498</b>   | <b>\$6,329,876</b>   | <b>\$6,670,617</b>   | <b>\$8,236,895</b>   | <b>\$8,421,321</b>   | <b>\$8,758,373</b>   |
| <b>Primary government</b>                        |                      |                      |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | \$143,390,252        | \$157,807,190        | \$162,323,910        | \$228,050,581        | \$232,745,259        | \$249,601,224        | \$258,780,992        |
| Restricted                                       | 15,252,029           | 10,864,920           | 14,321,342           | 14,163,595           | 18,484,937           | \$16,797,722         | 20,222,311           |
| Unrestricted                                     | 55,840,018           | 55,796,328           | 53,274,668           | 18,190,750           | 24,882,337           | 27,002,955           | 32,448,931           |
| <b>Total primary government net assets</b>       | <b>\$214,482,299</b> | <b>\$224,468,438</b> | <b>\$229,919,920</b> | <b>\$260,404,926</b> | <b>\$276,112,533</b> | <b>\$293,401,901</b> | <b>\$311,452,234</b> |

Source: West Valley City CAFR's 2003-2009, Statement of Net Assets

General Note: Required financial statement data for this schedule was not available until after the City's implementation of GASB 34, which occurred for the fiscal year ended June 30, 2003

# WEST VALLEY CITY, UTAH

## Net Assets by Governmental Activities



# WEST VALLEY CITY, UTAH

## Net Assets by Business-Type Activities

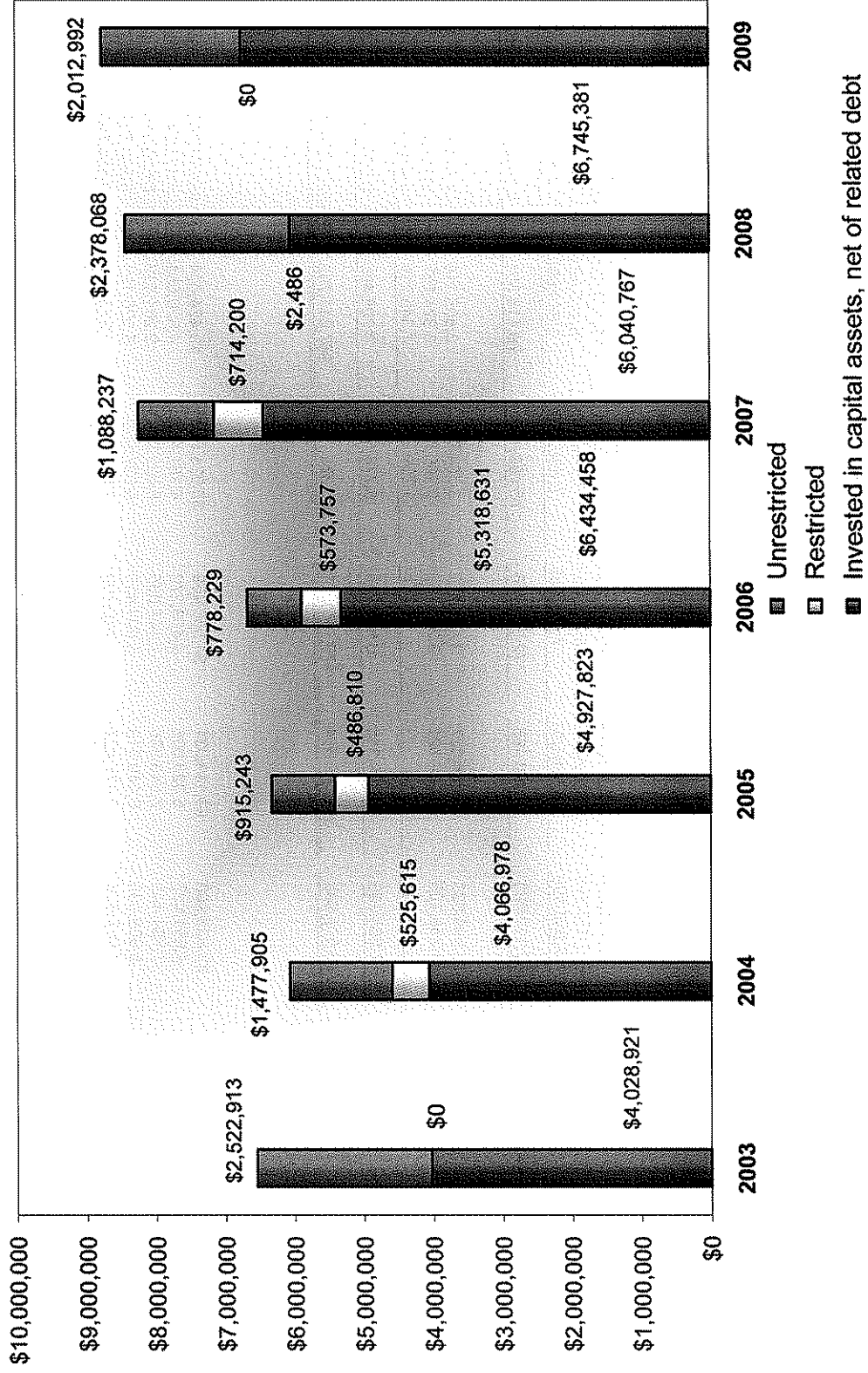


Table 2

**West Valley City**  
**Changes in Net Assets by Component**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

|  | Fiscal Year         |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                |
| <b>Expenses</b>  |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental activities</b>                         |                     |                     |                     |                     |                     |                     |                     |
| General government                                     | \$9,804,666         | \$10,236,884        | \$11,529,739        | \$12,401,614        | \$16,511,736        | \$19,035,615        | \$14,647,184        |
| Public safety  | 24,133,362          | 25,586,567          | 26,441,432          | 26,478,626          | 26,816,569          | 27,188,696          | 30,799,097          |
| Highways and streets                                   | 9,062,361           | 10,258,509          | 9,758,769           | 14,179,285          | 13,590,194          | 18,236,834          | 15,475,919          |
| Parks and recreation                                   | 12,491,708          | 11,345,149          | 10,933,550          | 11,392,074          | 11,473,425          | 10,324,958          | 12,441,389          |
| Community development                                  | 5,829,288           | 6,324,663           | 6,033,403           | 5,324,016           | 5,483,692           | 5,777,061           | 7,841,988           |
| Interest on debt service                               | 7,998,498           | 8,538,694           | 7,845,883           | 8,820,535           | 5,540,690           | 4,448,885           | 4,996,711           |
| <b>Total governmental activities expenses</b>          | <b>69,319,883</b>   | <b>72,290,466</b>   | <b>72,542,776</b>   | <b>78,596,150</b>   | <b>79,416,304</b>   | <b>85,012,049</b>   | <b>86,202,288</b>   |
| <b>Business-type activities</b>                        |                     |                     |                     |                     |                     |                     |                     |
| Golf courses   | 3,999,833           | 3,654,627           | 3,412,172           | 3,754,912           | 3,505,116           | 4,021,640           | 3,888,337           |
| Housing authority                                      | 3,258,193           | 3,614,721           | 3,223,787           | 3,269,665           | 3,374,657           | 3,107,271           | 3,591,190           |
| Ambulance  | -                   | -                   | 20,276              | 1,752,093           | 1,345,716           | 1,470,021           | 1,796,312           |
| <b>Total business-type activities</b>                  | <b>7,258,026</b>    | <b>7,269,348</b>    | <b>6,656,235</b>    | <b>8,776,570</b>    | <b>8,225,489</b>    | <b>8,598,932</b>    | <b>9,275,839</b>    |
| <b>Total primary government expenses</b>               | <b>\$76,577,909</b> | <b>\$79,559,814</b> | <b>\$79,199,011</b> | <b>\$87,372,720</b> | <b>\$87,641,793</b> | <b>\$93,610,981</b> | <b>\$95,478,127</b> |
| <b>Program Revenues</b>                                |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental activities</b>                         |                     |                     |                     |                     |                     |                     |                     |
| Charges for services - by activity                     |                     |                     |                     |                     |                     |                     |                     |
| General government                                     | \$3,633,969         | \$3,139,031         | \$4,558,459         | \$3,624,598         | \$3,424,604         | \$3,074,788         | \$2,790,821         |
| Public safety  | 4,661,823           | 5,020,005           | 4,456,272           | 4,184,497           | 4,620,051           | 4,171,541           | 4,467,168           |
| Highways and public improvements                       | 7,764,449           | 7,549,980           | 7,147,035           | 8,090,910           | 9,261,413           | 8,656,910           | 9,311,098           |
| Parks and recreation                                   | 5,965,539           | 6,149,313           | 5,599,415           | 5,897,509           | 5,326,151           | 5,986,842           | 7,814,261           |
| Community development                                  | 1,588,626           | 2,477,424           | 1,750,100           | 2,042,993           | 2,323,357           | 2,554,728           | 2,429,417           |
| Operating grants and contributions                     | 5,966,635           | 7,746,195           | 9,127,696           | 8,217,033           | 6,357,895           | 6,011,253           | 6,129,745           |
| Capital grants and contributions                       | 5,072,379           | 3,388,585           | 3,994,890           | 5,618,164           | 3,271,897           | 13,367,105          | 12,929,031          |
| <b>Total governmental activities program revenue</b>   | <b>34,653,420</b>   | <b>35,470,533</b>   | <b>36,633,867</b>   | <b>37,675,704</b>   | <b>34,585,368</b>   | <b>43,823,167</b>   | <b>45,871,541</b>   |
| <b>Business-type activities</b>                        |                     |                     |                     |                     |                     |                     |                     |
| Charges for services                                   | 3,024,319           | 2,803,016           | 2,461,906           | 4,403,790           | 4,786,633           | 4,104,326           | 4,683,248           |
| Operating grants and contributions                     | 3,139,760           | 3,398,479           | 135,046             | 3,246,184           | 3,198,218           | 2,945,632           | 3,265,560           |
| Capital grants and contributions                       | 15,711              | -                   | 3,114,782           | -                   | -                   | -                   | -                   |
| <b>Total business-type activities program revenues</b> | <b>6,179,790</b>    | <b>6,201,495</b>    | <b>5,711,734</b>    | <b>7,649,974</b>    | <b>7,984,851</b>    | <b>7,049,958</b>    | <b>7,948,808</b>    |
| <b>Total primary government program revenues</b>       | <b>\$40,833,210</b> | <b>\$41,672,028</b> | <b>\$42,345,601</b> | <b>\$45,325,678</b> | <b>\$42,570,219</b> | <b>\$50,873,125</b> | <b>\$53,820,349</b> |



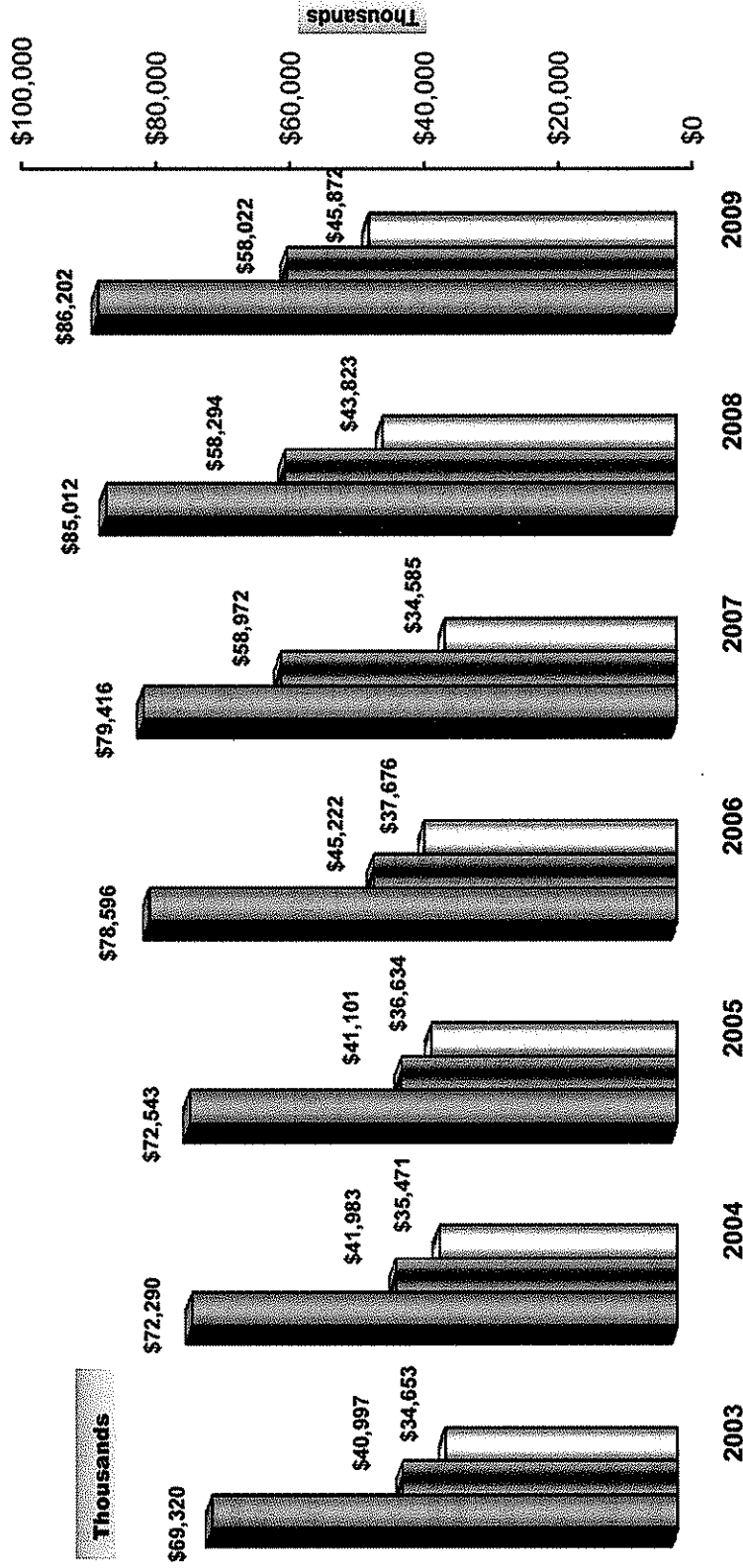
Fiscal Year

Source: West Valley City CAFR's 2003-2009, Statement of Activities

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# WEST VALLEY CITY, UTAH

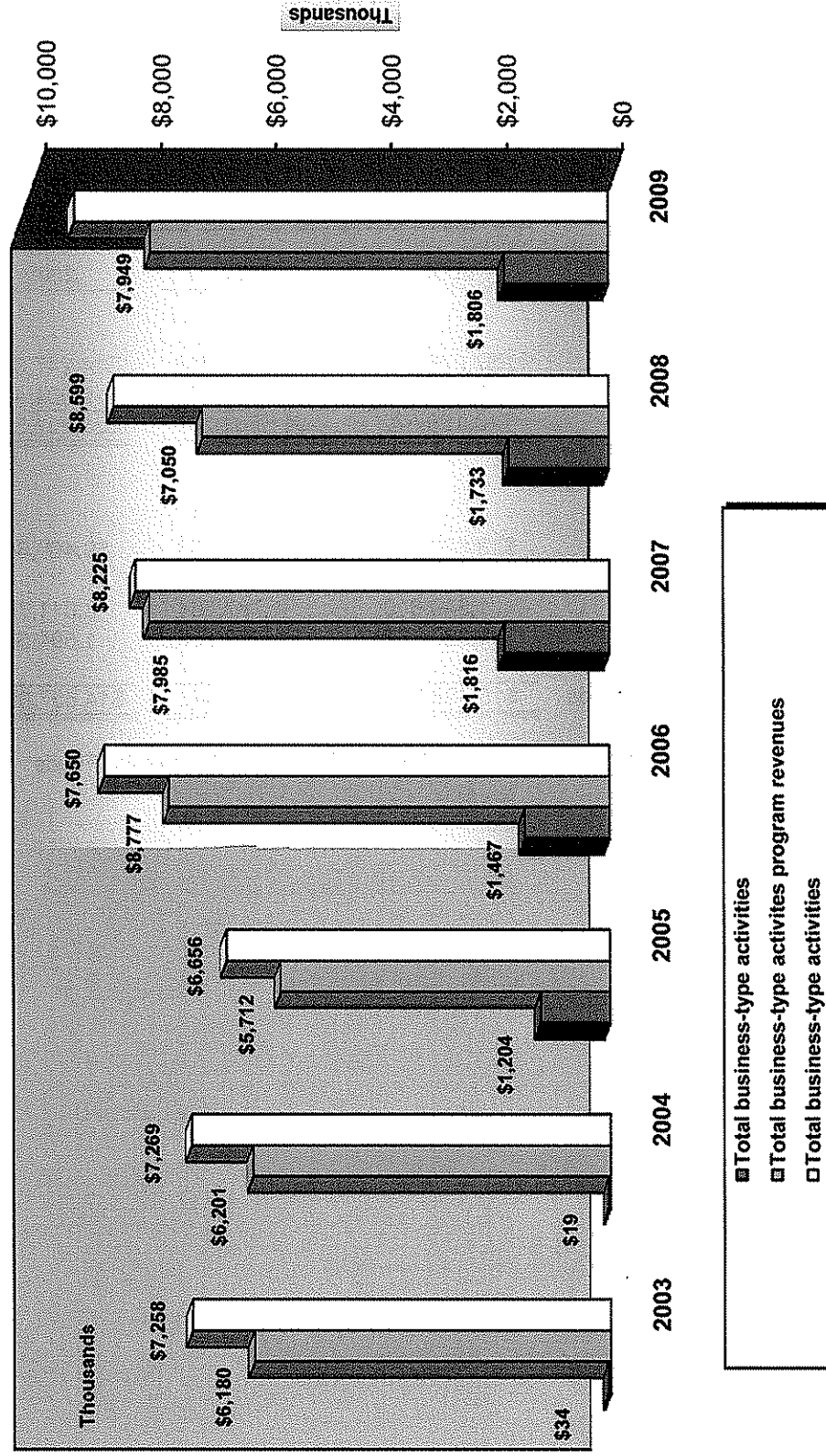
Changes in Net Assets by  
Governmental Activities



- Total governmental activities expenses
- Total governmental activities
- Total governmental activities program revenue

# WEST VALLEY CITY, UTAH

Changes in Net Assets by  
Business-Type Activities



**Table 3**

**West Valley City  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(accrual basis of accounting)**

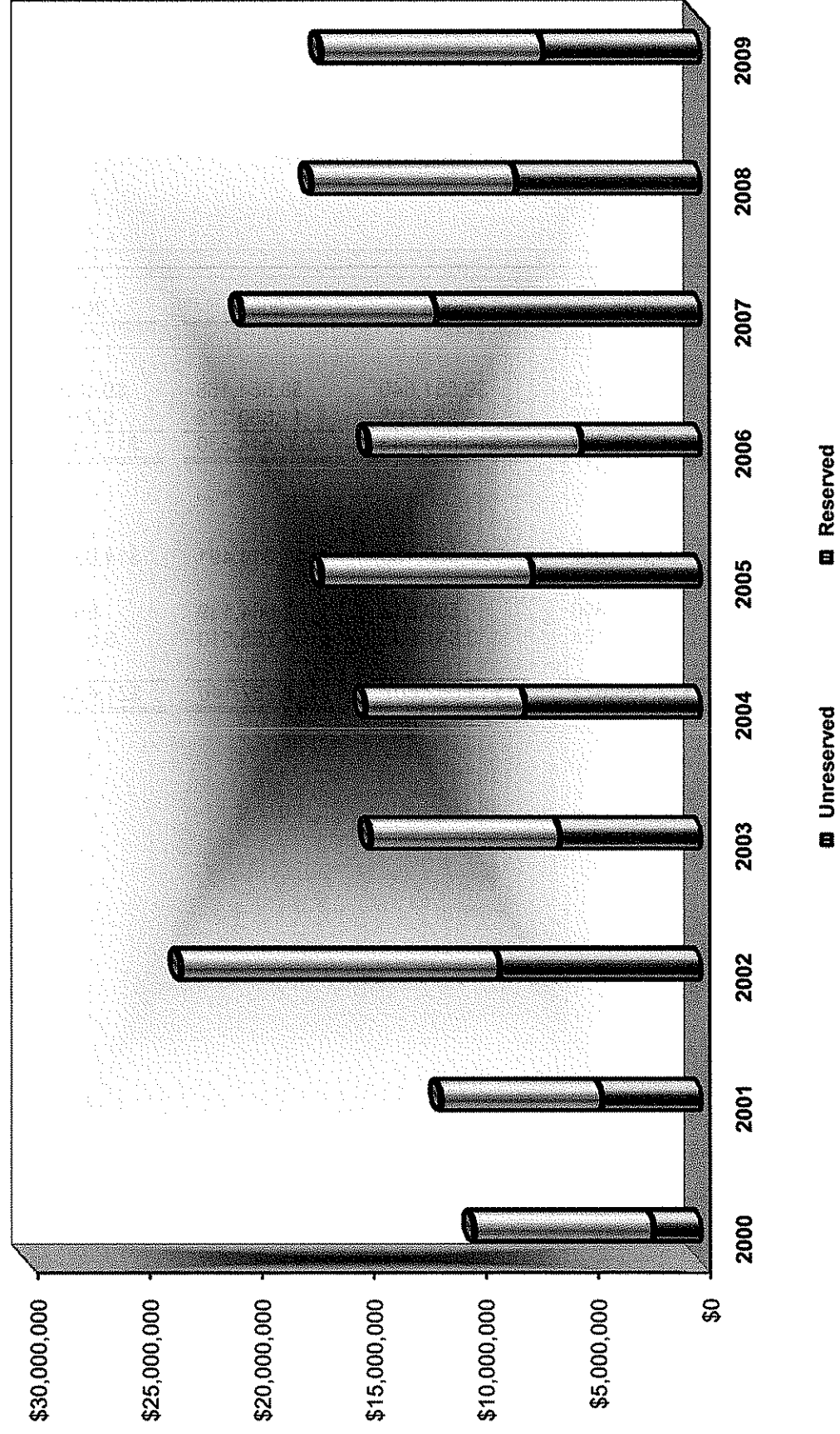
| <b>Fiscal year</b>                 | <b>2000</b>         | <b>2001</b>         | <b>2002</b>         | <b>2003</b>         |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| General fund                       |                     |                     |                     |                     |
| Reserved                           | \$7,976,911         | \$7,193,455         | \$14,247,839        | \$8,449,472         |
| Unreserved                         | 2,179,661           | 4,467,832           | 9,004,461           | 6,319,877           |
| Total general fund                 | <u>\$10,156,572</u> | <u>\$11,661,287</u> | <u>\$23,252,300</u> | <u>\$14,769,349</u> |
| All other governmental funds       |                     |                     |                     |                     |
| Reserved                           | \$13,820,111        | \$13,968,153        | \$9,400,863         | \$7,148,182         |
| Unreserved, reported in:           |                     |                     |                     |                     |
| Special revenue funds              | 1,940,610           | 1,787,784           | 3,611,702           | 7,317,714           |
| Capital projects funds             | 1,027,669           | 1,502,705           | 1,594,520           | 1,316,961           |
| Permanent funds                    |                     |                     |                     |                     |
| Total all other governmental funds | <u>\$16,788,390</u> | <u>\$17,258,642</u> | <u>\$14,607,085</u> | <u>\$15,782,857</u> |

Source: West Valley City CAFR's 2000-2009, Balance Sheet - Governmental Funds

| <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>         | <u>2008</u>         | <u>2009</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$7,169,884         | \$9,457,675         | \$9,531,640         | \$8,664,158         | \$9,189,652         | \$9,955,811         |
| 7,850,705           | 7,508,722           | 5,328,203           | 11,850,172          | 8,239,211           | 7,038,427           |
| <u>\$15,020,589</u> | <u>\$16,966,397</u> | <u>\$14,859,843</u> | <u>\$20,514,330</u> | <u>\$17,428,863</u> | <u>\$16,994,238</u> |
| <br>                |                     |                     |                     |                     |                     |
| \$7,832,252         | \$8,976,857         | \$8,658,198         | \$11,014,491        | \$14,081,476        | \$22,937,302        |
| 878,618             | 224,690             | 552,812             | 2,964,139           | 886,036             | 2,425,246           |
| 3,560,108           | 2,937,124           | 3,841,597           | 4,758,510           | 6,519,377           | 7,907,160           |
| <u>\$12,270,978</u> | <u>\$12,138,671</u> | <u>\$13,052,607</u> | <u>\$18,737,140</u> | <u>\$21,486,889</u> | <u>\$33,269,708</u> |

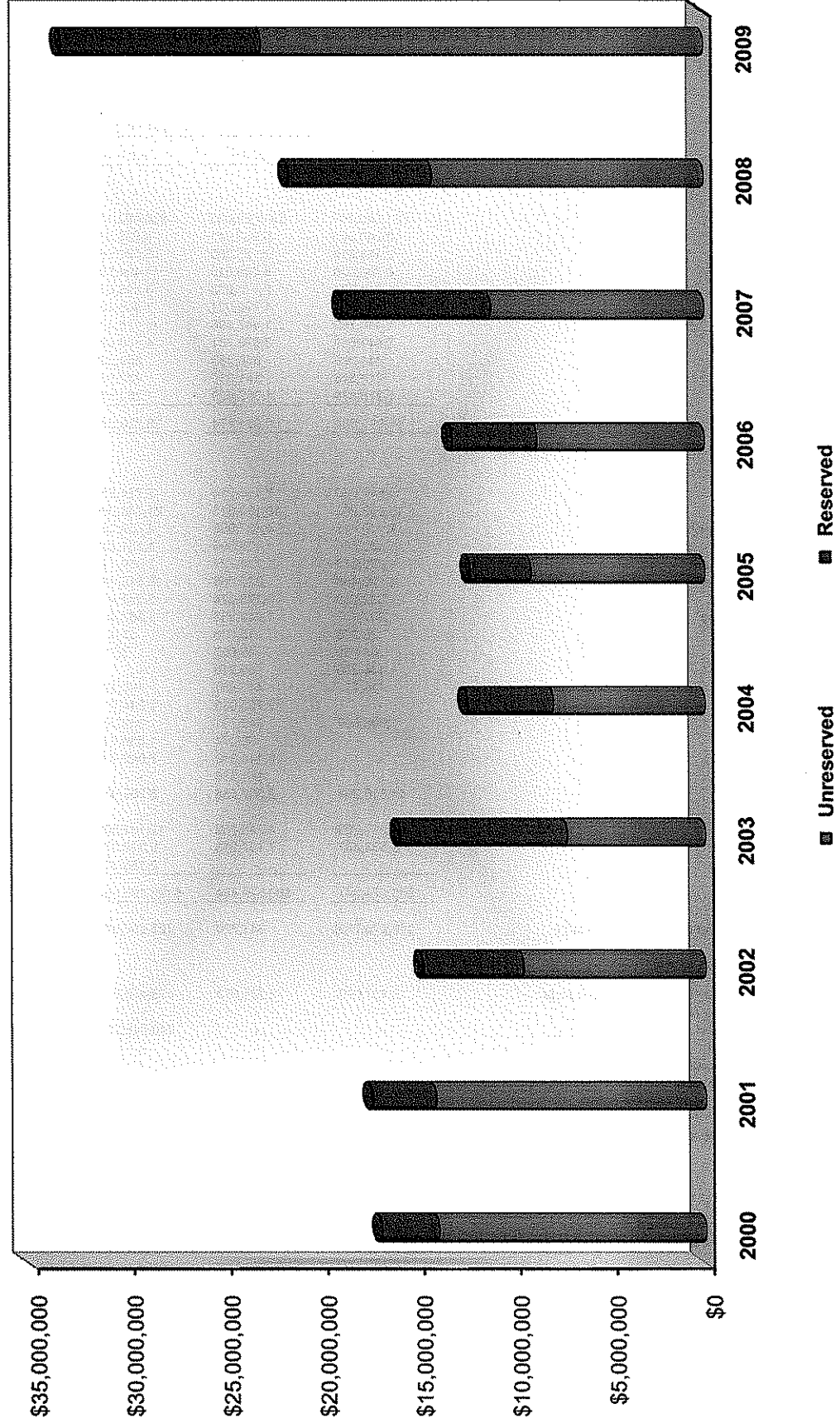
# WEST VALLEY CITY, UTAH

## General Fund



# WEST VALLEY CITY, UTAH

## All Other Governmental Funds



**Table 4**  
**West Valley City**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

|  | Fiscal Year          |                     |                      |                      |                      |
|--|----------------------|---------------------|----------------------|----------------------|----------------------|
|  | 2000                 | 2001                | 2002                 | 2003                 | 2004                 |
| <b>Revenues</b>  |                      |                     |                      |                      |                      |
| Taxes  | \$31,640,707         | \$34,029,938        | \$38,003,111         | \$37,118,081         | \$39,506,614         |
| Fees and passes  | 3,240,895            | 5,932,441           | 8,545,610            | 9,505,608            | 9,237,792            |
| Licenses and permits   | 2,488,819            | 2,756,350           | 2,597,082            | 2,691,483            | 3,149,510            |
| Intergovernmental  | 6,780,890            | 6,706,613           | 7,494,892            | 8,739,811            | 8,462,920            |
| Fines and forfeitures  | 1,743,394            | 2,770,033           | 3,698,615            | 4,096,954            | 4,325,697            |
| Charges for services   | 3,921,527            | 1,708,021           | 1,386,403            | 1,536,230            | 1,579,292            |
| Rental income  | 1,440,762            | 1,447,605           | 8,176,436            | 3,614,738            | 3,620,825            |
| Investment earnings  | 2,447,089            | 3,678,781           | 4,189,009            | 3,379,737            | 3,246,550            |
| Special assessments  | 844,309              | 650,533             | 659,296              | 659,296              | 659,357              |
| Sale of Land   | 210,313              | 141,330             | 432,986              | 1,847,387            | 1,085,000            |
| Miscellaneous  | 1,238,879            | 1,099,529           | 1,352,865            | 1,836,135            | 2,332,784            |
| <b>Total revenues</b>  | <b>55,997,584</b>    | <b>60,921,174</b>   | <b>76,536,305</b>    | <b>74,925,460</b>    | <b>77,206,341</b>    |
| <b>Expenditures</b>  |                      |                     |                      |                      |                      |
| General government   | 5,542,050            | 7,455,514           | 7,724,254            | 10,066,326           | 9,028,518            |
| Public safety  | 15,953,232           | 19,130,615          | 21,756,996           | 22,663,486           | 24,086,915           |
| Highways and public improvements                               | 7,116,418            | 4,427,968           | 4,429,288            | 10,784,714           | 10,421,613           |
| Parks and recreation   | 1,438,866            | 1,138,895           | 1,731,243            | 7,244,254            | 7,550,067            |
| Community development  | 1,770,478            | 1,784,725           | 2,068,114            | 5,539,609            | 4,324,828            |
| Other nondepartmental  | 4,420,458            | 1,325,286           | 15,816,943           | 10,431,966           | 2,783,702            |
| Fitness center   | 1,322,538            | 2,178,274           | 2,247,400            | -                    | -                    |
| Redevelopment agency   | 1,207,407            | 1,043,356           | 1,357,462            | 1,778,956            | 5,959,302            |
| Administration   | 22,206               | 15,038              | 53,420               | -                    | -                    |
| Hale Center Theater  | 44,059               | 45,667              | 7,714                | -                    | -                    |
| Building Authority   | 144,200              | 50,216              | -                    | -                    | -                    |
| E Center Arena   | 476,777              | 440,487             | 498,199              | -                    | -                    |
| Sanitation   | -                    | 2,705,033           | 2,384,015            | -                    | -                    |
| Impact Fees  | 1,508,697            | 640,791             | 922,304              | -                    | -                    |
| Stormwater drainage  | -                    | 38,374              | 1,589,610            | -                    | -                    |
| Grants   | -                    | 3,144,330           | 7,042,236            | -                    | -                    |
| Land purchase  | -                    | 141,330             | -                    | -                    | -                    |
| Capital outlay   | 11,815,794           | 2,367,585           | 8,906,934            | 1,845,252            | 1,218,722            |
| Debt service:  |                      |                     |                      |                      |                      |
| Principal  | 6,917,700            | 4,748,757           | 12,131,509           | 4,653,240            | 7,016,023            |
| Interest   | 6,573,467            | 7,757,213           | 9,379,375            | 7,579,634            | 8,514,802            |
| Bond insurance costs   | -                    | -                   | 2,136,351            | 179,694              | -                    |
| <b>Total expenditures</b>                                      | <b>\$66,274,347</b>  | <b>\$60,579,454</b> | <b>\$102,186,367</b> | <b>\$82,767,131</b>  | <b>\$80,904,482</b>  |
| <b>Excess of revenues over (under) expenditures</b>            | <b>(10,276,763)</b>  | <b>341,720</b>      | <b>(25,650,062)</b>  | <b>(7,841,671)</b>   | <b>(3,698,141)</b>   |
| <b>Other financing sources (uses)</b>                          |                      |                     |                      |                      |                      |
| Proceeds from issuance of warrants and bonds                   | 2,137,000            | 2,701,073           | 73,458,923           | 9,726,872            | -                    |
| Bond proceeds used to retire debt                              | -                    | -                   | -                    | -                    | -                    |
| Refunding bonds issued   | -                    | -                   | (40,046,299)         | (5,015,225)          | (3,886,586)          |
| Revenue bonds issued   | -                    | -                   | -                    | -                    | -                    |
| Special assessment bonds issued                                | -                    | -                   | -                    | -                    | -                    |
| Premium on bonds issued  | -                    | -                   | -                    | -                    | -                    |
| Payments to refunded bond escrow agent                         | -                    | -                   | -                    | -                    | -                    |
| Notes payable issued   | -                    | -                   | -                    | -                    | -                    |
| Bond retirement, due to sale of assets                         | -                    | -                   | -                    | -                    | -                    |
| Capital leases   | -                    | -                   | -                    | 201,000              | 1,484,948            |
| Transfers in   | 15,319,850           | 12,613,419          | 20,534,440           | 10,685,947           | 12,642,853           |
| Transfers out  | (15,118,661)         | (13,115,430)        | (20,918,045)         | (11,062,485)         | (13,210,513)         |
| Sale of capital assets   | -                    | -                   | -                    | 115,657              | -                    |
| Special item - receivable satisfied by receipt of fixed assets | -                    | -                   | -                    | -                    | -                    |
| <b>Total other financing sources (uses)</b>                    | <b>2,338,189</b>     | <b>2,199,062</b>    | <b>33,029,019</b>    | <b>4,651,766</b>     | <b>(2,969,298)</b>   |
| <b>Net changes in fund balances</b>                            | <b>(\$7,938,574)</b> | <b>\$2,540,782</b>  | <b>\$7,378,957</b>   | <b>(\$3,189,905)</b> | <b>(\$6,667,439)</b> |
| <b>Debt service as a percentage of noncapital expenditures</b> | <b>24.8%</b>         | <b>21.5%</b>        | <b>23.1%</b>         | <b>15.1%</b>         | <b>19.5%</b>         |

Source: West Valley City CAFR's 2000-2009, Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds



| 2005         | 2006          | 2007         | 2008         | 2009         |
|--------------|---------------|--------------|--------------|--------------|
| \$41,173,802 | \$45,322,680  | \$56,799,722 | \$57,908,719 | \$56,434,905 |
| 8,565,743    | 9,561,713     | 10,707,374   | 10,460,052   | 11,867,394   |
| 2,861,618    | 3,183,143     | 3,737,625    | 3,376,754    | 3,691,344    |
| 6,823,598    | 6,364,334     | 6,429,764    | 6,592,399    | 8,369,446    |
| 3,750,382    | 3,518,722     | 4,051,397    | 3,598,220    | 3,829,389    |
| 1,768,443    | 1,307,066     | 1,204,091    | 653,709      | 870,358      |
| 3,107,069    | 3,577,992     | 2,809,873    | 3,467,815    | 4,325,119    |
| 3,261,669    | 5,999,039     | 2,302,117    | 2,199,690    | 1,227,410    |
| 841,275      | 477,290       | 807,698      | 757,653      | 256,512      |
| -            | -             | -            | -            | -            |
| 1,330,573    | 937,489       | 1,611,395    | 1,706,495    | 2,002,851    |
| 73,484,172   | 80,249,468    | 90,461,056   | 90,721,506   | 92,874,728   |
| 8,828,276    | 9,372,709     | 9,920,325    | 11,301,197   | 10,038,150   |
| 25,279,505   | 26,655,723    | 26,443,757   | 27,706,084   | 29,385,896   |
| 11,412,199   | 14,135,790    | 14,801,557   | 16,785,406   | 4,015,617    |
| 7,355,951    | 8,200,937     | 8,172,558    | 8,262,124    | 9,823,331    |
| 3,790,849    | 3,697,325     | 3,246,432    | 3,756,007    | 4,860,340    |
| 2,583,819    | 1,552,472     | 5,468,952    | 2,931,443    | 941,979      |
| -            | -             | -            | -            | -            |
| 2,426,294    | 2,103,258     | 2,569,446    | 2,556,465    | 2,905,588    |
| -            | -             | -            | -            | -            |
| -            | -             | -            | -            | -            |
| -            | -             | -            | -            | -            |
| -            | -             | -            | -            | -            |
| -            | -             | -            | -            | -            |
| -            | -             | -            | -            | -            |
| 150,715      | 1,291,169     | 2,061,316    | 5,715,353    | 24,285,979   |
| 5,942,455    | 39,730,410    | 5,803,067    | 8,020,128    | 6,004,216    |
| 7,929,180    | 9,056,978     | 4,812,532    | 5,028,429    | 5,175,856    |
| -            | -             | 957,935      | 40,822       | 387,242      |
| \$75,699,243 | \$115,796,771 | \$84,057,877 | \$92,103,438 | \$97,824,194 |
| (2,215,071)  | (35,547,303)  | 6,403,179    | (1,381,932)  | (4,949,466)  |
| -            | -             | -            | -            | -            |
| -            | -             | (4,543,250)  | -            | -            |
| 6,319,468    | 32,585,000    | 40,651,750   | -            | -            |
| -            | -             | -            | -            | 13,950,000   |
| -            | 1,956,888     | 3,613,000    | 2,125,000    | -            |
| -            | -             | 550,309      | -            | 48,900       |
| (6,178,129)  | -             | (36,870,606) | -            | -            |
| 1,429,088    | -             | -            | -            | -            |
| (1,026,000)  | -             | -            | -            | -            |
| -            | -             | -            | -            | 2,026,339    |
| 13,730,910   | 15,467,940    | 15,917,539   | 21,022,687   | 27,318,238   |
| (14,901,924) | (16,522,255)  | (17,511,173) | (22,666,153) | (29,117,763) |
| 4,555,159    | 1,769,520     | 3,180,685    | 512,267      | 2,050,387    |
| -            | (902,408)     | -            | -            | -            |
| 3,928,572    | 34,354,685    | 4,988,254    | 993,801      | 16,276,101   |
| \$1,713,501  | (\$1,192,618) | \$11,391,433 | (\$388,131)  | \$11,326,635 |
| 18.4%        | 42.6%         | 12.9%        | 15.1%        | 15.2%        |

# WEST VALLEY CITY, UTAH

Total Revenues, Total Other Financing, Total Expenditures

\$120,000,000

\$100,000,000

\$80,000,000

\$60,000,000

\$40,000,000

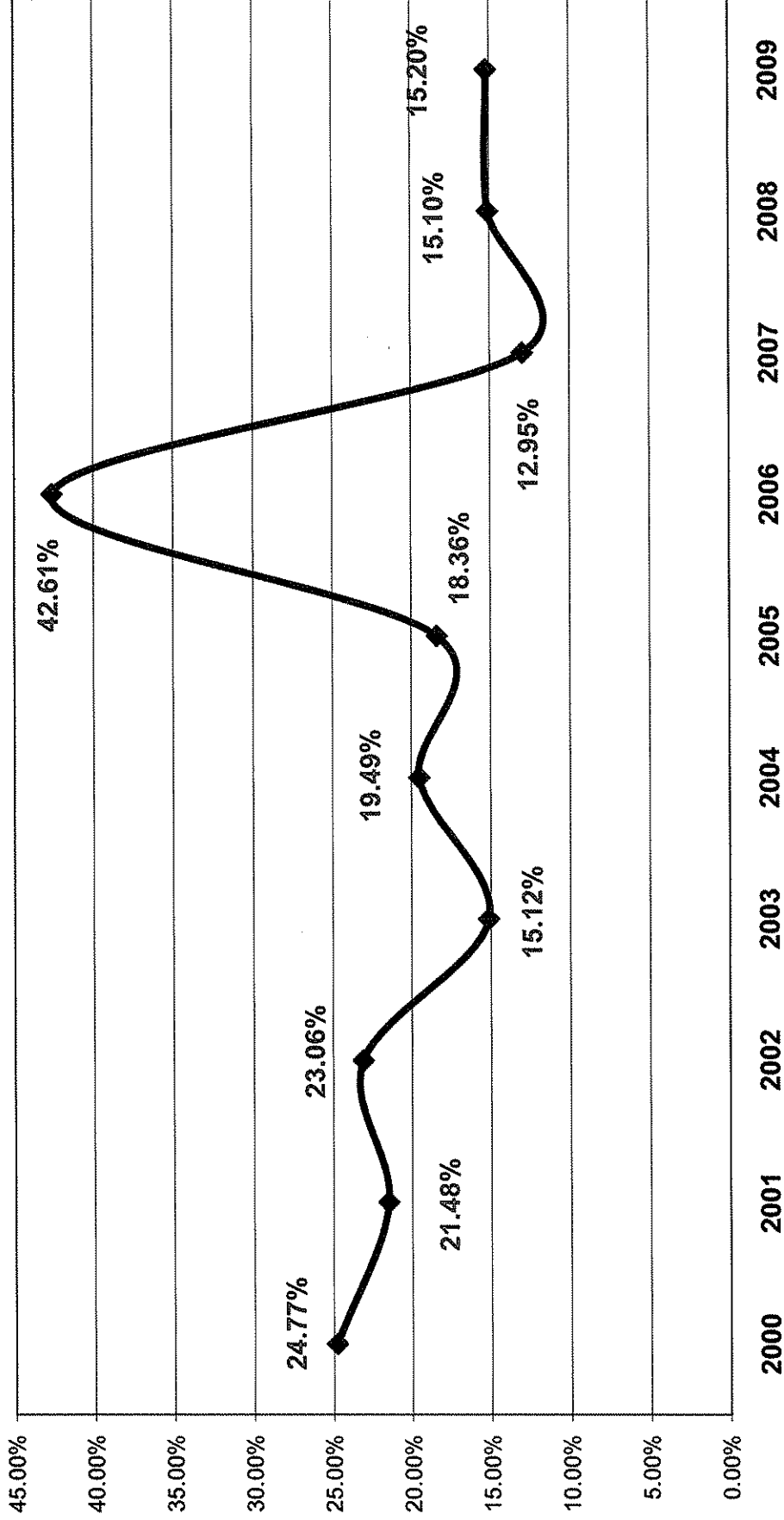
\$20,000,000

\$0



# WEST VALLEY CITY, UTAH

Debt Service as a Percentage of Non-capital Expenditures



**Table 5**

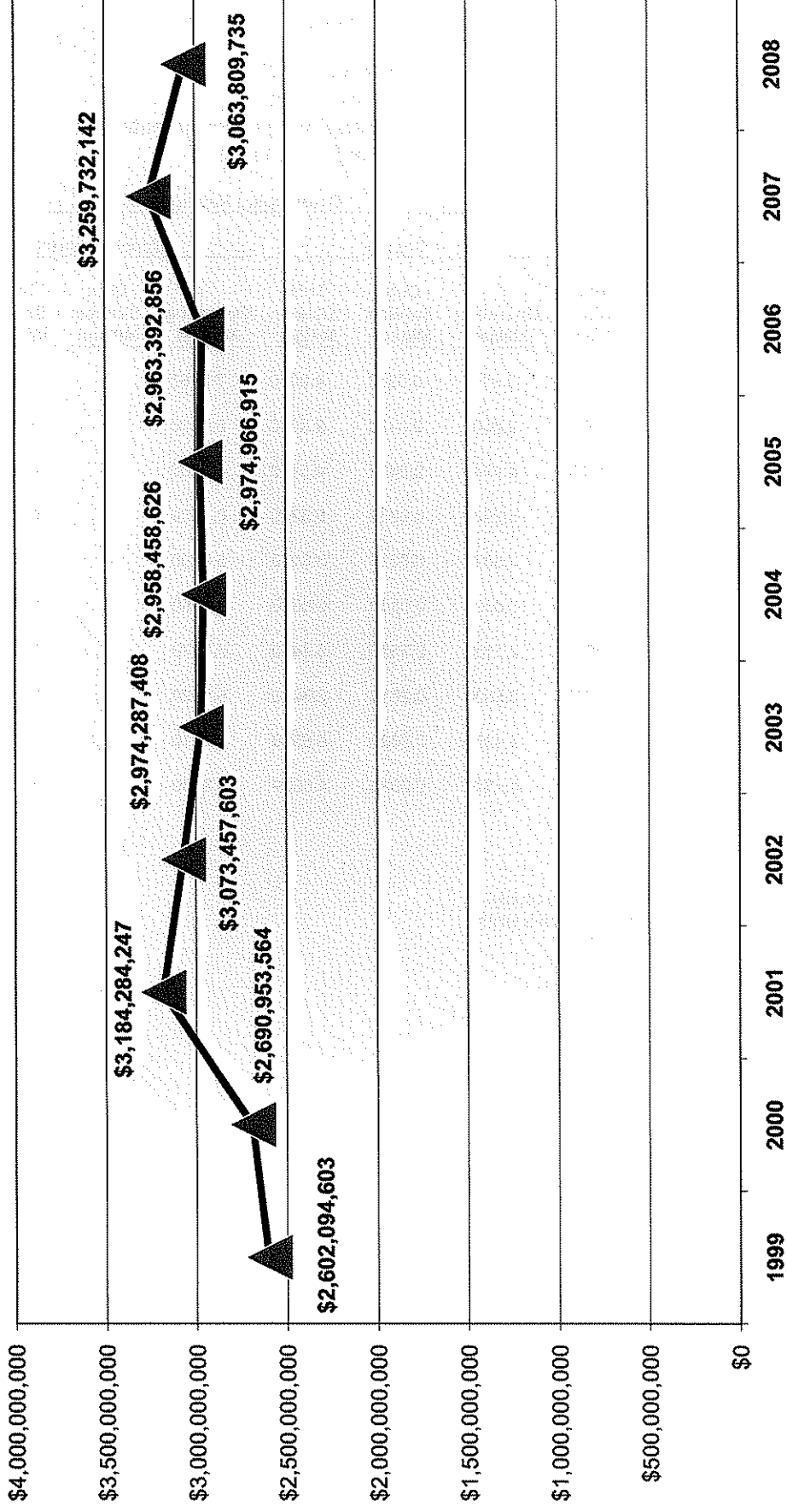
**West Valley City  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Calendar Years**

| Fiscal<br>Year<br>Ended<br>December 31 | Real Property(3)(4)                |   | Less:<br>Tax Exempt<br>Real Property(1) | Total Taxable<br>Assessed<br>Value | Total<br>Direct<br>Tax<br>Rate(2) | Estimated<br>Actual<br>Taxable<br>Value(3) | Assessed<br>Value as a<br>Percentage of<br>Actual Value |
|--|------------------------------------|---|---|------------------------------------|-----------------------------------|--|---|
|  | Primary<br>Residential<br>Property | Secondary or<br>Non-Residential<br>Property |   |                                    |                                   |  |   |
| 1999                                   | 1,584,613,384                      | 1,730,557,242                               | 713,076,023                             | 2,602,094,603                      | 0.0024560                         | 4,611,672,486                              | 56.42%  |
| 2000                                   | 1,691,140,028                      | 1,760,826,549                               | 761,013,013                             | 2,690,953,564                      | 0.0024870                         | 4,835,626,534                              | 55.65%  |
| 2001                                   | 1,319,902,948                      | 2,458,337,626                               | 593,956,327                             | 3,184,284,247                      | 0.0024900                         | 5,282,643,415                              | 60.28%  |
| 2002                                   | 1,950,257,994                      | 2,000,815,706                               | 877,616,097                             | 3,073,457,603                      | 0.0026600                         | 5,213,753,550                              | 58.95%  |
| 2003                                   | 2,435,603,306                      | 1,634,705,590                               | 1,096,021,488                           | 2,974,287,408                      | 0.0026540                         | 5,181,906,550                              | 57.40%  |
| 2004                                   | 2,448,687,283                      | 1,611,680,620                               | 1,101,909,277                           | 2,958,458,626                      | 0.0027030                         | 5,234,344,610                              | 56.52%  |
| 2005                                   | 2,467,330,937                      | 1,617,934,900                               | 1,110,298,922                           | 2,974,966,915                      | 0.0026940                         | 5,422,357,860                              | 54.86%  |
| 2006                                   | 2,321,816,684                      | 1,686,393,680                               | 1,044,817,508                           | 2,963,392,856                      | 0.0037010                         | 5,907,878,560                              | 50.16%  |
| 2007                                   | 2,553,998,352                      | 1,855,033,048                               | 1,149,299,259                           | 3,259,732,142                      | 0.0031920                         | 5,596,228,135                              | 58.25%  |
| 2008                                   | 2,528,922,191                      | 1,672,902,531                               | 1,138,014,986                           | 3,063,809,735                      | 0.0030160                         | 6,067,080,769                              | 50.50%  |

Source: Tax Division--Salt Lake County Auditor's Office

- Notes:
- (1) Statute 59-2-103 states 45% of the value of primary residential property is specifically exempt under the Constitution of Utah
  - (2) Tax rates are supplied by West Valley City
  - (3) Estimated actual value of real property is a net market value--property value subject to tax after reductions made for green full or part exemptions West valley's Finance department
  - (4) Appraised value of real property was not available at printing; number is an estimate.

# **WEST VALLEY CITY, UTAH** **Total Taxable Assessed Property Values**



**Table 6**  
**West Valley City**  
**Property Tax Rates**  
**Direct and Overlapping(1) Governments**  
**Last Ten Fiscal Years**

| Overlapping Rates(1) |                   |                      |                    |                   |                      |                      |                   |                      |                      |                                  |         |
|----------------------|-------------------|----------------------|--------------------|-------------------|----------------------|----------------------|-------------------|----------------------|----------------------|----------------------------------|---------|
| West Valley City     |                   |                      |                    | County            |                      |                      | School District   |                      |                      | Total Direct & Overlapping Rates |         |
| Fiscal Year          | Operating Millage | Debt Service Millage | Total City Millage | Operating Millage | Debt Service Millage | Total County Millage | Operating Millage | Debt Service Millage | Total School Millage |                                  |         |
| 2000                 | 2.4870            | -                    | 2.4870             | 3.9697            | 0.0353               | 4.0050               | 7.0260            | -                    | 7.0260               | 3.9800                           | 17.4980 |
| 2001                 | 2.4900            | -                    | 2.4900             | 2.8607            | 0.0433               | 2.9040               | 6.7800            | -                    | 6.7800               | 5.7830                           | 17.9570 |
| 2002                 | 2.6660            | -                    | 2.6660             | 4.4748            | 0.0422               | 4.5170               | 8.3500            | -                    | 8.3500               | 3.6820                           | 19.2150 |
| 2003                 | 2.6540            | -                    | 2.6540             | 5.2928            | 0.0332               | 5.3260               | 6.4600            | -                    | 6.4600               | 3.6230                           | 18.0630 |
| 2004                 | 2.7030            | -                    | 2.7030             | 3.5824            | 0.0326               | 3.6150               | 6.8000            | -                    | 6.8000               | 4.2270                           | 17.3450 |
| 2005                 | 2.6940            | -                    | 2.6940             | 6.6320            | 0.0310               | 6.6630               | 6.7460            | -                    | 6.7460               | 3.9680                           | 20.0710 |
| 2006                 | 2.5270            | -                    | 2.5270             | 2.7150            | 2.7300               | 5.4450               | 5.8270            | -                    | 5.8270               | 6.3650                           | 20.1640 |
| 2007                 | 3.7010            | -                    | 3.7010             | 2.5600            | 0.2810               | 2.8410               | 6.1020            | -                    | 6.1020               | 6.8500                           | 19.4940 |
| 2008                 | 3.1940            | -                    | 3.1940             | 5.4290            | 0.2320               | 5.6610               | 5.4110            | -                    | 5.4110               | 5.5170                           | 19.7830 |
| 2009                 | 3.1710            | -                    | 3.1710             | 4.4549            | 0.2320               | 4.6869               | 5.3160            | -                    | 5.3160               | 2.5376                           | 15.7115 |

Source: Utah State Tax Commission

(1) Overlapping rates are those of local and county governments that apply to property owners within the West Valley City Property owners

**Table 7**  
**West Valley City**  
**Principal Property Taxpayers**  
**December 31, 2008**

| Taxpayer                    | 2008                      |      |   | 1999                      |      |  |
|-----------------------------|---------------------------|------|---|---------------------------|------|--|
|                             | Taxable Assessed Value(1) | Rank | Percentage of Total Taxable Assessed Value of \$3,063,809,735 | Taxable Assessed Value(1) | Rank | Percentage of Total Taxable Assessed Value \$3,315,170,626 |
| Alliant Techsystem          | \$ 105,202,400            | 1    | 3.43%   | \$130,640,100             | 1    | 3.94%  |
| Hexcel Corporation          | 85,908,506                | 2    | 2.80%   |                           |      |  |
| Salt Lake Newspaper         | 73,587,159                | 3    | 2.40%   |                           |      |  |
| Novus Development           | 58,818,900                | 4    | 1.92%   | 68,056,300                | 2    | 2.05%  |
| Valley Fair Mall            | 54,233,470                | 5    | 1.77%   | 42,112,100                | 4    | 1.27%  |
| Wai-Mart                    | 53,991,268                | 6    | 1.76%   |                           |      |  |
| Reef Parkwy LLC             | 36,587,000                | 7    | 1.19%   |                           |      |  |
| ATR Launch Systems Inc      | 36,060,565                | 8    | 1.18%   |                           |      |  |
| Zions First National Bank   | 34,806,503                | 9    | 1.14%   |                           |      |  |
| Truck Pro                   | 31,744,800                | 10   | 1.04%   | 33,585,000                | 6    | 1.01%  |
| Boyd Enterprises            | 30,985,000                | 11   | 1.01%   | 32,370,600                | 7    | 0.98%  |
| USANA Health Science Inc.   | 29,431,057                | 12   | 0.96%   |                           |      |  |
| Franklin Development        | 29,357,900                | 13   | 0.96%   | 40,006,600                | 5    | 1.21%  |
| IHC Health Service          | 29,040,188                | 14   | 0.95%   | 16,810,930                | 11   | 0.51%  |
| MPT of West Valley City     | 27,341,900                | 15   | 0.89%   |                           |      |  |
| Talcottill Legacy 1 & 2     | 25,656,000                | 16   | 0.84%   |                           |      |  |
| Frito-Lay Inc               | 21,054,446                | 17   | 0.69%   |                           |      |  |
| Pacificorp                  |                           |      |   | 49,165,731                | 3    | 1.48%  |
| U.S. West                   |                           |      |   | 18,192,885                | 9    | 0.55%  |
| Mountain Fuel               |                           |      |   | 16,042,802                | 12   | 0.48%  |
| Carmike Cinemas             |                           |      |   | 23,402,200                | 8    | 0.71%  |
| Transwestern Metro Business |                           |      |   | 17,850,300                | 10   | 0.54%  |
|                             | <u>\$763,807,062</u>      |      | <u>24.93%</u>   | <u>\$488,235,548</u>      |      | <u>14.73%</u>  |

**Taxable Market Values Represent Both Real and Personal Property**

**(1) Utah State Tax Commission**

**Table 8**  
**West Valley City**  
**Property Tax Levies and Collections**  
**Last Ten Years**

| <b>Fiscal Year<br/>Ended</b> | <b>Total Tax<br/>Levy for</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |                               | <b>Collections in<br/>Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |                               |
|------------------------------|-------------------------------|---|-------------------------------|--|----------------------------------|-------------------------------|
|                              |                               | <b>Amount</b>   | <b>Percentage of<br/>Levy</b> |  | <b>Amount</b>                    | <b>Percentage of<br/>Levy</b> |
| <b>December 31</b>           | <b>Fiscal Year</b>            |   |                               |  |                                  |                               |
| 1999                         | \$8,710,403                   | \$8,158,404   | 93.7%                         | \$247,239                                      | \$8,405,643                      | 96.5%                         |
| 2000                         | 9,488,707                     | 9,095,091   | 95.9%                         | 295,972  | 9,391,063                        | 99.0%                         |
| 2001                         | 10,416,118                    | 10,085,638  | 96.8%                         | 315,325  | 10,400,963                       | 99.9%                         |
| 2002                         | 11,613,891                    | 11,108,869  | 95.7%                         | 325,055  | 11,433,924                       | 98.5%                         |
| 2003                         | 11,925,481                    | 11,634,824  | 97.6%                         | 415,123  | 12,049,947                       | 101.0%                        |
| 2004                         | 12,208,084                    | 11,881,596  | 97.3%                         | 503,502  | 12,385,098                       | 101.4%                        |
| 2005                         | 12,160,390                    | 11,737,382  | 96.5%                         | 356,185  | 12,093,567                       | 99.5%                         |
| 2006                         | 17,674,620                    | 18,882,085  | 106.8%                        | 550,364  | 19,432,449                       | 109.9%                        |
| 2007                         | 17,865,393                    | 20,656,996  | 115.6%                        | 463,657  | 21,120,653                       | 118.2%                        |
| 2008                         | 21,635,813                    | 20,567,959  | 95.1%                         | 624,139  | 21,192,098                       | 97.9%                         |

Source: Salt Lake County Treasurer's office - Calendar Year End



Table 9

**West Valley City**  
**Ratios of Outstanding Debt by Type**  
**Last Seven Fiscal Years**

| Fiscal Year | Governmental Activities  |                         |                     |                | Notes       | Business-Type Activities |                     |                |               | Total Primary Government | Percentage of Personal Income(1) | Per Capital(1) |
|-------------|--------------------------|-------------------------|---------------------|----------------|-------------|--------------------------|---------------------|----------------|---------------|--------------------------|----------------------------------|----------------|
|             | General Obligation Bonds | Sales Tax Revenue Bonds | Lease Revenue Bonds | Capital Leases |             | General Obligation Bonds | Lease Revenue Bonds | Capital Leases |               |                          |                                  |                |
| 2003        | -                        | \$29,573,476            | \$122,272,838       | \$2,589,906    | \$3,297,000 | -                        | \$15,275,162        | -              | \$173,008,382 | 10.23%                   | \$1,513                          |                |
| 2004        | -                        | \$28,575,476            | \$114,814,488       | \$1,721,871    | \$3,189,000 | -                        | \$14,728,512        | -              | \$163,029,347 | 9.17%                    | 1,397                            |                |
| 2005        | -                        | \$27,290,726            | \$109,950,838       | \$1,024,816    | \$4,505,088 | -                        | \$15,273,630        | -              | \$158,045,098 | 8.31%                    | 1,320                            |                |
| 2006        | -                        | \$29,257,364            | \$72,394,888        | \$538,694      | \$2,957,000 | -                        | \$14,521,875        | -              | \$119,669,821 | 6.11%                    | 991                              |                |
| 2007        | -                        | \$26,943,114            | \$70,342,938        | \$4,718,485    | \$2,832,000 | -                        | \$13,388,812        | -              | \$118,225,349 | 5.71%                    | 953                              |                |
| 2008        | -                        | \$24,393,942            | \$67,821,588        | \$3,298,460    | \$2,701,000 | -                        | \$12,742,662        | \$443,713      | \$111,401,365 | 5.24%                    | 891                              |                |
| 2009        | -                        | \$35,633,000            | \$65,603,736        | \$4,392,688    | \$2,563,000 | -                        | \$11,939,112        | \$150,536      | \$120,282,072 | 5.66%                    | 961                              |                |

Source: West Valley City CAFR's 2003-2009, Notes to the financial statements.

Notes:

(1) See Schedule of Demographic and Economic Statistics for personal income and population data.

General Note: Required financial statement data for this schedule was not available until after West Valley City's implementation of GASB Statement 34, which occurred the fiscal year ending June 30, 2003

**Table 10**  
**West Valley City**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>General Obligation Bonds</b> | <b>Estimated Actual Value of Property(2)</b> | <b>Taxable Percentage of Estimated Actual Value of Property</b> | <b>Population(1)</b> | <b>Per Capita</b> |
|--------------------|---------------------------------|--|---|----------------------|-------------------|
| 2000               | -                               | \$4,835,626,534                              | 71.39%  | 108,830              | N/A               |
| 2001               | -                               | \$5,282,643,415                              | 71.52%  | 112,362              | N/A               |
| 2002               | -                               | \$5,213,753,550                              | 75.78%  | 112,402              | N/A               |
| 2003               | -                               | \$5,181,906,550                              | 78.55%  | 114,318              | N/A               |
| 2004               | -                               | \$5,234,344,610                              | 77.57%  | 116,719              | N/A               |
| 2005               | -                               | \$5,422,357,860                              | 75.34%  | 119,712              | N/A               |
| 2006               | -                               | \$5,907,878,560                              | 73.60%  | 120,757              | N/A               |
| 2007               | -                               | \$5,596,228,135                              | 72.49%  | 124,089              | N/A               |
| 2008               | -                               | \$6,094,846,421                              | 71.80%  | 124,963              | N/A               |
| 2009               | -                               | \$6,067,080,769                              | 72.13%  | 125,218              | N/A               |

Notes:

- (1) West Valley City Community Development Department
- (2) Estimated by West Valley City Finance Department based on data from Utah State Tax Commission

**Table 11**

**West Valley City  
Direct and Overlapping governmental Activities Debt  
As of December 31, 2008**

| <u>Governmental Unit</u>                 | <u>General Bonded<br/>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable</u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|--|--|--|--|
| State of Utah                            | \$1,162,000,000                                | 4.54%  | \$52,761,050   |
| Salt Lake County                         | 247,650,000                                    | 12.80%   | 31,698,572   |
| Subtotal, overlapping debt               | <u>\$1,409,650,000</u>                         |  | <u>\$84,459,622</u>                                    |
| West Valley City direct and general debt | <u>N/A</u>                                     | 4.95%  | <u>N/A</u>   |
| Total Direct and overlapping debt        | <u><u>\$1,409,650,000</u></u>                  |  | <u><u>\$84,459,622</u></u>                             |

Source:  
West Valley City Finance Department

**Table 12**

**West Valley City  
Legal Debt Margin information  
Last Ten Fiscal Years**

|   | Fiscal Year          |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2000                 | 2001                 | 2002                 | 2003                 |
| Debt Limit  | \$193,425,061        | \$211,305,737        | \$208,550,142        | \$207,276,262        |
| Total net debt applicable to limit                                      | N/A                  | N/A                  | N/A                  | N/A                  |
| Legal debt margin   | <u>\$193,425,061</u> | <u>\$211,305,737</u> | <u>\$208,550,142</u> | <u>\$207,276,262</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | N/A                  | N/A                  | N/A                  | N/A                  |

**Legal Debt Margin Calculation for Fiscal Year 2009**

|  | Taxable Value (1)      | Market Value           |
|--|------------------------|------------------------|
| Residential Values   | \$3,677,018,648        | \$4,853,664,615        |
| Non-Residential Values   | 2,049,689,446          | 1,866,794,083          |
| Totals   | <u>\$5,726,708,093</u> | <u>\$6,067,080,769</u> |
| Total adjusted fair market value                                   |                        | \$6,067,080,769        |
| Debt limit (adjusted fair market value x .04)                      |                        | 242,683,231            |
| General obligation bonds   |                        | -                      |
| Less: Amount set aside for repayment of<br>general obligation debt |                        | -                      |
| Total net debt applicable to limit                                 |                        | <u>242,683,231</u>     |
| Legal debt margin  |                        | <u>\$242,683,231</u>   |

**Notes:**

- (1) The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 12% of the "reasonable fair cash value" of property, Of this percent, a maximum of 4% may be used for general purposes. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum 12% may be utilized for water and/or sewer purposes.

Source: Salt Lake County Auditor's Office; estimated if actual numbers not available at printing

Table 12

(Continued from previous page)

| Fiscal Year          |                      |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 |
| \$209,373,784        | \$216,894,314        | \$236,315,142        | \$234,032,096        | \$243,793,857        | \$242,683,231        |
| N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |
| <u>\$209,373,784</u> | <u>\$216,894,314</u> | <u>\$236,315,142</u> | <u>\$234,032,096</u> | <u>\$243,793,857</u> | <u>\$242,683,231</u> |
| N/A                  | N/A                  | N/A                  | N/A                  | N/A                  | N/A                  |

**Table 13**  
**West Valley City**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | Sales Tax Revenue Bonds (1) |              |            |          | HUD Contract Payable |              |           |          |
|----------------|-----------------------------|--------------|------------|----------|----------------------|--------------|-----------|----------|
|                | Sales Tax<br>Revenues       | Debt Service |            | Coverage | CDBG<br>Revenues     | Debt Service |           | Coverage |
|                |                             | Principal    | Interest   |          |                      | Principal    | Interest  |          |
| 2000           | \$14,725,207                | -            | -          | -        | \$1,275,120          | -            | -         | -        |
| 2001           | 15,026,914                  | -            | -          | -        | 1,486,139            | -            | -         | -        |
| 2002           | 16,776,046                  | -            | \$ 449,581 | 37.3     | 1,461,206            | -            | -         | -        |
| 2003           | 14,586,796                  | -            | 1,761,357  | 8.3      | 859,315              | -            | \$ 79,025 | 10.9     |
| 2004           | 15,375,398                  | \$ 1,401,000 | 1,847,968  | 4.7      | 2,312,131            | \$ 108,000   | 163,499   | 8.5      |
| 2005           | 17,061,625                  | 1,467,000    | 1,831,743  | 5.2      | 1,166,301            | 113,000      | 161,221   | 4.3      |
| 2006           | 19,335,997                  | 1,531,000    | 1,780,277  | 5.8      | 803,135              | 119,000      | 158,109   | 2.9      |
| 2007           | 21,711,761                  | 1,023,000    | 1,639,908  | 8.2      | 945,297              | 125,000      | 154,174   | 3.4      |
| 2008           | 22,425,263                  | 2,517,527    | 2,965,642  | 4.1      | 817,223              | 131,000      | 149,529   | 2.9      |
| 2009           | 19,120,182                  | 6,004,216    | 5,175,856  | 1.7      | 1,429,381            | 138,000      | 144,169   | 5.1      |

Source: West Valley City CAFR's, Notes to the financial statements, 2000-2009

Note: (1) The City began issuing Sales Tax Bonds in January 2002

**Table 14**  
**West Valley City**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Personal Income<br/>(in thousands)(2)</u> | <u>Per Capita<br/>Personal<br/>Income(3)</u> | <u>School<br/>Enrollment(4)</u> | <u>Unemployment<br/>Rate(5)</u> |
|--------------------|-----------------------|--|--|---------------------------------|---------------------------------|
| 2000               | 108,830               | \$1,396,071                                  | \$12,828                                     | 21,750                          | 3.9%                            |
| 2001               | 112,362               | 1,512,168                                    | 13,458                                       | 21,482                          | 5.4%                            |
| 2002               | 112,402               | 1,568,795                                    | 13,957                                       | 21,477                          | 7.0%                            |
| 2003               | 114,318               | 1,691,678                                    | 14,798                                       | 21,177                          | 7.3%                            |
| 2004               | 116,719               | 1,777,747                                    | 15,231                                       | 20,998                          | 6.1%                            |
| 2005               | 119,712               | 1,902,343                                    | 15,891                                       | 20,845                          | 5.8%                            |
| 2006               | 120,757               | 1,957,328                                    | 16,209                                       | 20,969                          | 6.6%                            |
| 2007               | 124,089               | 2,070,445                                    | 16,685                                       | 20,201                          | 3.3%                            |
| 2008               | 124,963               | 2,125,911                                    | 17,012                                       | 20,183                          | 2.7%                            |
| 2009               | 125,218               | 2,172,813                                    | 17,352                                       | 21,262                          | 6.0%                            |

**Notes:**

- (1) Data are projections by the West Valley City Community Development Department
- (2) Provided by Utah Department of Workforce Service statistical report
- (3) Utah Department of Workforce Service or estimates when actual numbers were not available
- (4) Student enrollment furnished by Granite School District
- (5) Utah Department of Workforce Service

**Table 15**

**West Valley City  
Principal Employers  
Current Year and Nine Years Ago**

| <b>Employer</b>                     | <b>2009</b>      |             | <b>2000</b>      |             |
|-------------------------------------|------------------|-------------|------------------|-------------|
|                                     | <b>Employees</b> | <b>Rank</b> | <b>Employees</b> | <b>Rank</b> |
| Discover Financial Services Inc.    | 3,058            | 1           |                  |             |
| United Parcel Services Inc.         | 1,671            | 2           | 1,640            | 1           |
| Central Refrigerated Services       | 1,591            | 3           |                  |             |
| Zions 1st Natl Bank/Zions Data Serv | 1,225            | 4           | 1,061            | 4           |
| Verizon Wireless                    | 1,108            | 5           |                  |             |
| Wal-Mart                            | 957              | 6           |                  |             |
| ATK                                 | 779              | 7           | 972              | 6           |
| Six Continents Hotel Inc.           | 713              | 8           |                  |             |
| C R England & Sons Inc.             | 630              | 9           | 651              | 8           |
| ADP Cobra Service                   | 612              | 10          |                  |             |
| USANA Health Sciences INC.          | 555              | 11          |                  |             |
| Newspaper Agency                    | 486              | 12          |                  |             |
| Wheeler Machinery/ICM Division      | 480              | 13          | 634              | 9           |
| Pioneer Valley Hospital             | 470              | 14          | 433              | 11          |
| Pride Transport Inc.                | 417              | 15          | 300              | 16          |
| Coventry Management Services        | 408              | 16          | 1,325            | 3           |
| Moog Aircraft Group Salt Lake Oper  | 404              | 17          | 537              | 10          |
| Ingenix Inc.                        | 400              | 18          |                  |             |
| Yellow Freight System Inc.          | 340              | 19          | 349              | 14          |
| Franklin Quest Co.                  | 301              | 20          | 1,507            | 2           |
| Frito Lay Inc.                      | 300              | 21          | 378              | 13          |
| Freightliner                        | 280              | 22          |                  |             |
| Parker Packing Company              | 271              | 23          | 318              | 15          |
| Broadcast Television System Inc.    | 69               | 24          | 225              | 17          |
| Publishers Press Inc.               |                  |             | 214              | 18          |
| Consolidated Freightways            |                  |             | 393              | 12          |
| Holiday Inn                         |                  |             | 695              | 7           |
| Novus Services                      |                  |             | 1,033            | 5           |
| Prime Option                        |                  |             | 460              | 11          |
| US West Communications Inc.         |                  |             | 165              | 22          |
| KUTV inc.                           |                  |             | 188              | 20          |
| Arnold Machinery Company            |                  |             | 212              | 19          |
| Gus Paulos Chevrolet Inc.           |                  |             | 168              | 21          |
| Viking Freight System Inc.          |                  |             | 138              | 23          |
|                                     | <b>17,525</b>    |             | <b>13,996</b>    |             |

**Source: West Valley City Business License Division**



**Table 16**

**West Valley City  
Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years**

| <b>Function</b>                  | <b><u>2000</u></b> | <b><u>2001</u></b> | <b><u>2002</u></b> | <b><u>2003</u></b> | <b><u>2004</u></b> | <b><u>2005</u></b> | <b><u>2006</u></b> | <b><u>2007</u></b> | <b><u>2008</u></b> | <b><u>2009</u></b> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>General government</b>        | 87                 | 91                 | 99                 | 96                 | 99                 | 101                | 103                | 108                | 113                | 112                |
| <b>Public safety</b>             |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Police</b>                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Officers</b>                  | 182                | 184                | 188                | 190                | 201                | 197                | 199                | 195                | 192                | 189                |
| <b>Civillians</b>                | 62                 | 58                 | 64                 | 75                 | 89                 | 81                 | 83                 | 83                 | 89                 | 88                 |
| <b>Fire</b>                      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Firefighters and officers</b> | 62                 | 61                 | 76                 | 78                 | 80                 | 79                 | 96                 | 95                 | 98                 | 103                |
| <b>Civillians</b>                | 2                  | 2                  | 4                  | 4                  | 4                  | 4                  | 2                  | 3                  | 3                  | 3                  |
| <b>Highways and streets</b>      |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Engineering</b>               | 19                 | 19                 | 19                 | 20                 | 18                 | 20                 | 20                 | 22                 | 23                 | 18                 |
| <b>Maintenance</b>               | 35                 | 38                 | 45                 | 45                 | 46                 | 48                 | 50                 | 51                 | 52                 | 51                 |
| <b>Parks and recreation</b>      | 40                 | 82                 | 91                 | 88                 | 82                 | 86                 | 83                 | 86                 | 78                 | 80                 |
| <b>Golf Courses</b>              |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Operations</b>                | 7                  | 11                 | 12                 | 41                 | 39                 | 38                 | 37                 | 31                 | 32                 | 31                 |
| <b>Maintenance</b>               | 7                  | 7                  | 7                  | 19                 | 17                 | 14                 | 15                 | 16                 | 15                 | 15                 |
| <b>Sanitation</b>                | 1                  | 1                  | 2                  | 2                  | 2                  | 2                  | 2                  | 3                  | 3                  | 3                  |
| <b>Community development</b>     | 34                 | 33                 | 35                 | 39                 | 33                 | 42                 | 46                 | 46                 | 46                 | 46                 |
| <b>Total</b>                     | <b>538</b>         | <b>587</b>         | <b>642</b>         | <b>697</b>         | <b>710</b>         | <b>712</b>         | <b>736</b>         | <b>739</b>         | <b>744</b>         | <b>740</b>         |

Source: West Valley City Budget Division

**Table 17**  
**West Valley City**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

| Function   | Fiscal Year |         |         |         |
|--|-------------|---------|---------|---------|
|  | 2000        | 2001    | 2002    | 2003    |
| <b>Police</b>  |             |         |         |         |
| Number of full-time sworn officers                   | 155         | 176     | 174     | 170     |
| Physical arrests                                     | 1,505       | 1,548   | 1,926   | 2,360   |
| <b>Fire</b>  |             |         |         |         |
| Number of calls answered                             | 8,342       | 8,539   | 8,269   | 8,288   |
| Inspections  | 116         | 229     | 225     | 239     |
| <b>Highways and streets</b>                          |             |         |         |         |
| Street resurfacing                                   |             |         |         |         |
| Slurry Seal (sq yards)                               | 540,920     | 776,488 | 952,370 | 737,728 |
| Chipseal (sq yards)                                  | N/A         | N/A     | N/A     | 238,405 |
| Overlay Project (sq yards)                           | 85,728      | 78,928  | 118,696 | None    |
| Hot Mix Patching (tons)                              | 3,430       | 2,889   | 3,555   | 3,278   |
| Cold Mix Patching (tons)                             | 13          | 33      | 11      | 254     |
| Remove and replace asphalt (tons)                    | 446         | 2,054   | 318     | 811     |
| Paved Shoulder Tie-ins (tons)                        | 445         | 656     | 75      | N/A     |
| <b>Parks &amp; Recreation</b>                        |             |         |         |         |
| Developed City-owned parks                           | 13          | 14      | 15      | 16      |
| Undeveloped City-owned park property (acres)         | 57.21       | 62.41   | 60.37   | 83.90   |
| Developed county-owned parks within the City (acres) | 56.60       | 56.60   | 56.60   | 56.60   |
| Total property acreage maintained by WVC (acres)     | 208.21      | 214.81  | 216.91  | 243.55  |
| <b>Community Development</b>                         |             |         |         |         |
| Building Inspections:                                |             |         |         |         |
| Permits issued                                       |             |         |         |         |
| Single Family  | 453         | 435     | 515     | 486     |
| Duplex   | 2           | 4       | 4       | 2       |
| Multi-family   | 24          | 122     | 140     | 439     |
| Mobile Home  | 78          | 10      | 70      | 20      |

Source: West Valley City departments reports

(Continued from previous page)

| Fiscal Year |         |         |         |         |         |
|-------------|---------|---------|---------|---------|---------|
| 2004        | 2005    | 2006    | 2007    | 2008    | 2009    |
| 159         | 177     | 199     | 187     | 192     | 188.5   |
| 3,243       | 2,952   | 3,005   | 2,998   | 2,940   | 3,173   |
| 8,299       | 9,242   | 9,773   | 10,005  | 9,932   | 9,610   |
| 413         | 1,483   | 2,409   | 2,605   | 2,905   | 2,900   |
| 732,258     | 807,092 | 732,749 | 519,139 | 541,266 | 600,000 |
| 191,150     | 355,923 | 331,207 | 321,994 | 301,250 | 291,250 |
| 23,000      | 8,473   | None    | None    | 34,640  | 32,560  |
| 2,045       | 2,453   | 799     | 825     | 636     | 636     |
| 16          | 17      | N/A     | N/A     | 4,213   | 4,200   |
| 292         | 741     | N/A     | N/A     | 407     | 395     |
| 81          | 76      | N/A     | N/A     | 99      | 95      |
| 17          | 20      | 21      | 23      | 23      | 23      |
| 87.95       | 98.27   | 101.08  | 103.06  | 17.00   | 17.00   |
| 56.60       | 56.60   | 56.60   | 71.12   | 132.20  | 132.20  |
| 247.85      | 250.37  | 257.67  | 257.70  | 257.70  | 257.70  |
| 351         | 370     | 425     | 397     | 114     | 109     |
| 0           | 0       | 0       | 0       | 0       | 0       |
| 150         | 133     | 76      | 24      | 15      | 12      |
| 23          | 9       | 6       | 1       | 1       | 1       |

**Table 18**

**West Valley City  
Capital Assets Statistics by Function  
Last Ten Fiscal Years**

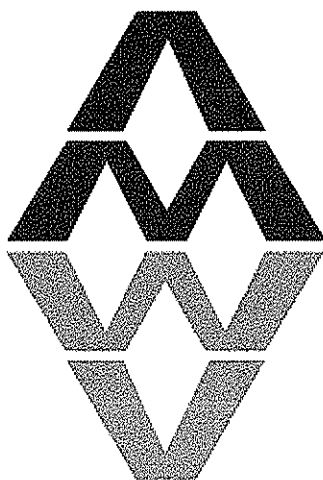
| Function                                   | Fiscal Year |        |        |        |        |
|--|-------------|--------|--------|--------|--------|
|  | 2000        | 2001   | 2002   | 2003   | 2004   |
| <b>Public safety</b>                       |             |        |        |        |        |
| Police stations                            | 2           | 2      | 2      | 2      | 2      |
| Fire stations                              | 4           | 4      | 5      | 5      | 5      |
| <b>Highways and streets</b>                |             |        |        |        |        |
| Streets (miles)                            | 293         | 293    | 293    | 293    | 309    |
| City Owned Streetlights                    | 600         | 600    | 600    | 600    | 600    |
| <b>Parks and recreation</b>                |             |        |        |        |        |
| Parks acreage                              | 108.4       | 151    | 152.4  | 156.54 | 159.65 |
| Parks                                      | 13          | 14     | 15     | 16     | 17     |
| Tennis courts                              | 14          | 14     | 15     | 15     | 15     |
| Softball fields                            | 14          | 14     | 14     | 14     | 14     |
| Basketball courts                          | 9.5         | 9.5    | 9.5    | 10     | 10     |
| Pavilions                                  | 11          | 12     | 13     | 14     | 14     |
| Play structures                            | 16          | 18     | 18     | 19     | 20     |
| <b>Other properties maintained (acres)</b> | 57.21       | 62.41  | 60.37  | 83.9   | 87.95  |
| <b>Total properties maintained (acres)</b> | 165.61      | 213.41 | 212.77 | 240.44 | 247.60 |

Sources: City departments

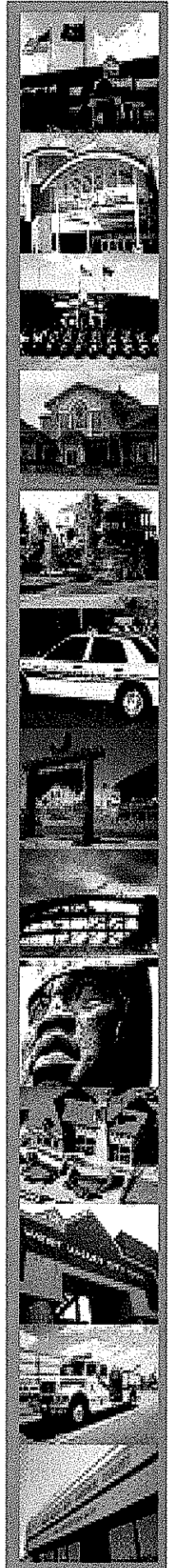
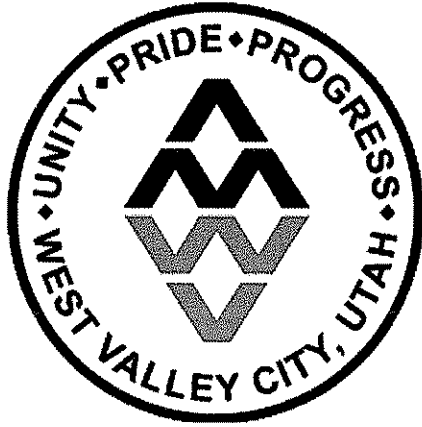
Note: No capital asset indicators are available for the general government function

(Continued from previous page)

| Fiscal Year |        |        |        |        |
|-------------|--------|--------|--------|--------|
| 2005        | 2006   | 2007   | 2008   | 2009   |
| 2           | 2      | 2      | 2      | 2      |
| 5           | 5      | 5      | 5      | 5      |
| 309         | 307    | 321    | 321    | 307    |
| 600         | 600    | 600    | 600    | 652    |
| 159.90      | 152.10 | 164.30 | 164.30 | 156.50 |
| 20          | 21     | 23     | 23     | 23     |
| 15          | 15     | 15     | 15     | 15     |
| 14          | 15     | 15     | 15     | 15     |
| 10          | 10     | 14     | 14     | 14.5   |
| 14          | 14     | 15     | 15     | 14     |
| 21          | 24     | 24     | 24     | 24     |
| 98.27       | 101.08 | 149.20 | 149.20 | 149.20 |
| 258.17      | 253.18 | 313.50 | 313.50 | 305.70 |



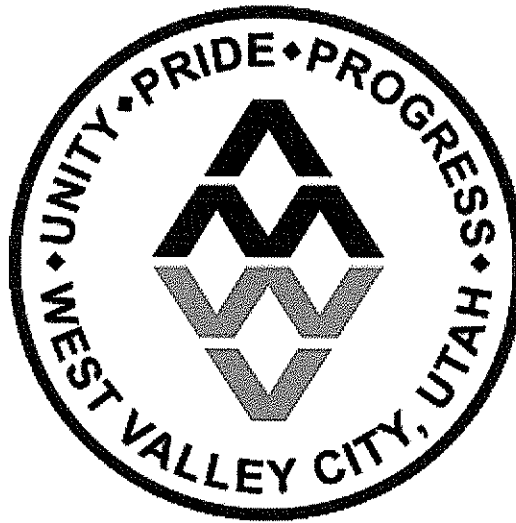




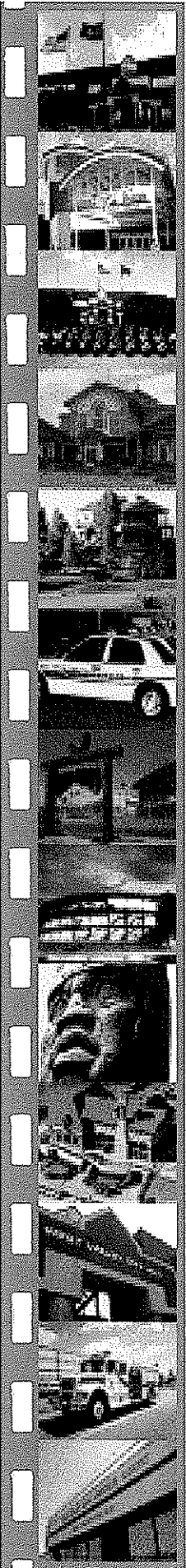


# WEST VALLEY CITY

STATE OF UTAH



SUPPLEMENTARY REPORTS  
FISCAL YEAR ENDED JUNE 30, 2009





**WEST VALLEY CITY**  
**SUPPLEMENTARY REPORTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**



**WEST VALLEY CITY  
SUPPLEMENTARY REPORTS  
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**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Jensen & Keddington, P.C.**

Certified Public Accountants

Jeffrey B. Jensen, CPA  
Gary K. Keddington, CPA  
Brent E. Christensen, CPA  
Jeffrey B. Hill, CPA

Honorable Mayor and  
Members of the City Council  
West Valley City  
West Valley City, Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of West Valley City (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in B #1, 2, and 3 in the accompanying *Schedule of Findings and Questioned Costs* to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above we consider items in finding #1 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We noted a certain immaterial instance of noncompliance that we have reported to the management of the City in the accompanying *State of Utah Legal Compliance Schedule of Findings & Recommendations*.

West Valley City's responses to findings identified in our audit are described in this report, as described in the table of contents. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the Mayor, City Council and management of West Valley City, federal awarding agencies and pass-through entities, and the Utah State Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Jensen & Keddington*

December 30, 2009





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**Jensen & Keddington, P.C.**

Certified Public Accountants

Jeffrey B. Jensen, CPA  
Gary K. Keddington, CPA  
Brent E. Christensen, CPA  
Jeffrey B. Hill, CPA

**REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Honorable Mayor and  
Members of the City Council  
West Valley City  
West Valle City, Utah

**Compliance**

We have audited the compliance of West Valley City (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The City's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Valley City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, West Valley City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of West Valley City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Valley City as of and for the year ended June 30, 2009, and have issued our report thereon dated December 30, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise West Valley City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, Mayor, City Council and management of West Valley City, the Utah State Auditor's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Jensen & Keddington*

December 30, 2009

**WEST VALLEY CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2009**

| <u>Federal Grantor/Pass-Through<br/>Grantor/Program Title</u>  | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Disbursements<br/>Expenditures</u> |
|--|------------------------------------|--|---------------------------------------|
| <b><u>U.S. Department of Housing and Urban Development</u></b> |                                    |  |                                       |
| Direct Programs:   |                                    |  |                                       |
| Section 8 Housing Assistance Payments Program                  |                                    |  |                                       |
| Special Allocations  | 14.195                             |  | \$ 2,940,102                          |
| Community Development Block Grants/Entitlement                 |                                    |  |                                       |
| Grants   | 14.218                             |  | 1,429,380                             |
| Shelter Plus Care  | 14.238                             |  | 123,682                               |
| HOPWA  | 14.241                             |  | 22,391                                |
| Public Housing Capital Grants                                  | 14.872                             |  | 61,808                                |
| Total Direct Programs  |                                    |  | <u>4,577,363</u>                      |
| Pass Through Salt Lake County:                                 |                                    |  |                                       |
| Home Investment Partnerships Program                           | 14.239                             | HM06WV06                                     | <u>276,337</u>                        |
| Total Pass Through   |                                    |  | <u>276,337</u>                        |
| Total U.S. Department of Housing<br>and Urban Development      |                                    |  | <u>4,853,700</u>                      |
| <b><u>U.S. Department of Justice</u></b>                       |                                    |  |                                       |
| Direct Programs:   |                                    |  |                                       |
| Weed and Seed  | 16.595                             |  | 145,868                               |
| Bulletproof Vest Partnership Program                           | 16.607                             |  | 18,914                                |
| Edward Byrne Memorial Justice Assistance Grant                 |                                    |  |                                       |
| Program  | 16.738                             |  | 49,133                                |
| Anti-Gang Initiative   | 16.744                             |  | 63,455                                |
| Total Direct Programs  |                                    |  | <u>277,370</u>                        |
| Pass Through the State of Utah:                                |                                    |  |                                       |
| Minors Alcholo Offense   | 16.540                             | JJP-2008                                     | 13,894                                |
| Crime Victim Assistance  | 16.575                             | 06-VOCA-65                                   | 96,818                                |
| Violence Against Women Formula Grants                          | 16.588                             | 07-VAWA-46                                   | 37,504                                |
| Grant to Encourage Arrest Policies and Enforcement             |                                    |  |                                       |
| of Protection Orders   | 16.590                             | 08-VAWA-45                                   | 305,708                               |
| HIDTA  | 16.004                             | 07-DEA-HIDTA                                 | 132,111                               |
| Total Pass Through   |                                    |  | <u>586,035</u>                        |
| Total U.S. Department of Justice                               |                                    |  | <u>863,405</u>                        |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**WEST VALLEY CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For The Year Ended June 30, 2009**

| <u>Federal Grantor/Pass-Through<br/>Grantor/Program Title</u>  | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Disbursements<br/>Expenditures</u> |
|--|------------------------------------|--|---------------------------------------|
| <b><u>U.S. Department of Homeland Security</u></b>             |                                    |  |                                       |
| Pass Through the State of Utah:                                |                                    |  |                                       |
| Homeland Security  | 97.007                             | 06-SHSP-SLC                                  | \$ 37,399                             |
| Emergency Management   | 97.042                             | 08-EMPG                                      | 3,350                                 |
| EMS Grant  | 97.105                             | 08-EMSG                                      | 15,712                                |
| 2007 HLS SHSP-REG 2-PROJ 32-36                                 | 97.004                             | REG 2-PROJ 32-36                             | <u>45,253</u>                         |
| Total Pass Through   |                                    |  | <u>101,714</u>                        |
| Total U.S. Department of Homeland Security                     |                                    |  | <u>101,714</u>                        |
| <b><u>National Endowment for the Arts</u></b>                  |                                    |  |                                       |
| Pass Through Salt Lake County:                                 |                                    |  |                                       |
| Promotion of Arts - Grants to Organizations and<br>Individuals | 45.024                             | 05-7900-7026                                 | <u>2,562</u>                          |
| Total National Endowment for the Arts                          |                                    |  | <u>2,562</u>                          |
| <b><u>U.S. Department of Education</u></b>                     |                                    |  |                                       |
| Direct Program:  |                                    |  |                                       |
| Fund for the Improvement of Education                          | 84.215                             |  | <u>56,454</u>                         |
| Total U.S. Department of Education                             |                                    |  | <u>56,454</u>                         |
| Total Federal Financial Assistance                             |                                    |  | <u>\$ 5,877,835</u>                   |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**WEST VALLEY CITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. *General* - the *Schedule of Expenditures of Federal Awards* presents the activity of all federal awards of West Valley City. Federal awards received directly from federal agencies as well as federal awards passed-through other governmental agencies are included on the *Schedule of Expenditures of Federal Awards*.
2. *Basis of Accounting* - The *Schedule of Expenditures of Federal Awards* is presented using the modified accrual basis of accounting.

## WEST VALLEY CITY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of West Valley City.
2. Significant deficiencies were disclosed during the audit of the financial statements that are reported in this schedule, in which significant deficiencies at finding B.1 are considered to be material weaknesses.
3. No instances of noncompliance material to the basic financial statements of West Valley City, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over the major federal award programs were reported in this schedule.
5. The auditor's report on compliance for the major federal award program for West Valley City expressed an unqualified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133.
7. The following programs were tested as major programs: Section 8 Housing Assistance Payments Program CFDA #14.195 and VAWA Grant to Encourage Arrest Policies and Enforcement of Protection Orders CFDA# 16.590.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. West Valley City does not qualify as a low-risk auditee.

### B. FINDINGS - FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS

#### 1. Misstatements in the Financial Statements (Material Weakness)

##### Finding

During our audit we identified material misstatements in the financial statements that were not identified by the City's internal control. The controls in place were not sufficient to detect or prevent material misstatements in the following areas:

- A. *General Fund* – Cash was overstated by \$135,316 due to posting errors related to the Grants Fund. Two Bond Trust accounts were not reconciled during the year requiring adjustments of \$79,605 to interest income; \$24,727 to bond fees; and \$190,000 to debt service reserve. Reversal of a property tax accrual that was posted twice was corrected in the amount of \$353,578. Abatement revenue in the amount of \$325,795 was understated. Accounts receivable were overstated by an estimated \$872,602 due to bad debts and duplicate invoices, of which \$286,343 was related to the Cultural Celebration Center Fund.
- B. *Redevelopment Agency Fund* – Rent revenues, expenses, and management fees were understated by \$155,384, \$128,125, and \$27,259 respectively due to improper recording of net rents remitted from the property managers instead of gross rents and expenses. Accounts payable was understated by \$60,000 due to an unrecorded liability.
- C. *Grants Fund* – Due to other funds was understated by \$60,259 due to posting errors.
- D. *Capital Improvements Fund* – Interest revenue was understated by \$62,719 due to bond trustee statements not being received by the City. Principal on bonds was understated by \$137,932 because the payment on the bond was not properly recorded. Accounts payable was understated by \$168,341 because the retainage payable on the animal shelter was not recorded.

**WEST VALLEY CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**B. FINDINGS - FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS (Continued)**

**1. Misstatements in the Financial Statements (Material Weakness) (Continued)**

- E. *General Fixed Asset Account Group* – Fixed Assets were understated by \$756,777 (net of depreciation) due to assets over the capitalization threshold not being capitalized. Accumulated depreciation was overstated by \$196,100 due to an error in calculating depreciation. Infrastructure assets were understated by \$7,933,890 (net of depreciation) due to improper capitalization procedures.
- F. *General Long-term Debt Account Group* – Debt was understated by \$1,181,761 due to a lease not being recorded. Debt was overstated by \$84,784 due to lease payments for a lease not being properly recorded during the year. Debt was understated by \$190,000 due to an error in recording a payment to a trust account and not on the bond principal.

During the audit the above misstatements were corrected and are properly presented in the financial statements.

Recommendation

We recommend that the City implement internal control procedures to prevent or detect the material misstatements noted above.

**2. E-Center – Segregation of Duties – Cash (Significant Deficiency)**

Finding

We observed during our audit that the E-Center Controller posts some of the checks to the general ledger when they are received, he signs checks which are issued, he is able to posts journal entries to the general ledger, and he performs the bank reconciliation. So, the Controller has access to the asset (cash), access to the accounting records, and he reconciles the accounting records to the bank statement. This situation does not provide proper internal controls over checks received.

Recommendation

We recommend that someone beside the E-Center Controller be given the cash handling responsibilities. This will allow the controller to keep his responsibilities for posting journal entries to the general ledger and performing bank reconciliations.

**3. Infrastructure Capitalization (Significant Deficiency)**

Finding

We observed during our audit that the current year additions to infrastructure assets were not being properly capitalized. The City engineers were not capitalizing the full cost of projects, but were reducing the project costs by subcomponent costs which did not meet the \$5,000 capitalization threshold. As a result, asset additions for the 2009 fiscal year underwent several revisions with corresponding adjusting journal entries before audit work could be completed on the accounts.

Recommendation

The City engineers need to follow established infrastructure capitalization policies to ensure that assets are being properly capitalized.

**C. FINDINGS - MAJOR FEDERAL AWARDS PROGRAM**

None



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**Jensen & Keddington, P.C.**

Certified Public Accountants

Jeffrey B. Jensen, CPA  
Gary K. Keddington, CPA  
Brent E. Christensen, CPA  
Jeffrey B. Hill, CPA**AUDITOR'S REPORT ON STATE OF UTAH  
LEGAL COMPLIANCE**Honorable Mayor and  
Members of City Council  
West Valley City, Utah

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Valley City, for the year ended June 30, 2009, and have issued our report thereon dated December 30, 2009. As part of our audit, we have audited West Valley City's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2009. The City received the following major State assistance program from the State of Utah:

B&C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)

Our audit also included testwork on the City's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Liquor Law Enforcement  
Justice Court Compliance  
B & C Road Funds  
Other General Issues  
Uniform Building Code Standards  
Impact Fees  
Asset Forfeitures  
Utah Retirement System Compliance

The management of West Valley City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the *State of Utah Legal Compliance Schedule of Findings and Recommendations*. We considered these instances of noncompliance in forming our opinion, which is expressed in the following paragraph.



In our opinion, West Valley City complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2009.

West Valley City's responses to findings identified in our audit are described in this report, as described in the table of contents. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, Mayor, City Council and management of West Valley City, the Utah State Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

*Jensen & Keddington*

December 30, 2009

**WEST VALLEY CITY  
STATE OF UTAH LEGAL COMPLIANCE  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

**1. Justice Court – Surcharge Remittance**

Finding

During our audit procedures, we tested the accumulation of surcharges to the monthly collections summary report and then to the monthly amount submitted to the State of Utah. The Utah State Code 51-4-2(4)(b) states "... each political subdivision of the state shall, on or before the tenth day of each month, pay all of those funds that were receipted during the last month." We noted that the report and collections were not remitted to the State by the 10<sup>th</sup> of the following month in 1 of 12 months during the year. A similar finding was noted in the prior year's audit report.

Recommendation

We recommend the City's Justice Court closely monitor the due date of the reports and remittance required for the State surcharges, to ensure that monies collected are reported and remitted within the prescribed guidelines.

**2. Negative Fund Balance/Net Assets**

Finding

The City had deficit fund balances or net assets in the following funds: Fitness Center Fund in the amount of \$1,583,041, E Center Fund in the amount of \$2,013,637, Cultural Center Fund in the amount of \$282,326, Stonebridge Golf Course Fund in the amount of \$1,146,513, and the Ambulance Fund in the amount of \$329,295. The Utah State Code 10-6-117 requires the City to maintain a positive fund balance and net assets in all funds. A similar finding was noted in the prior year's audit report.

Recommendation

We recommend that the City work to reverse these fund and net asset deficits and comply with Utah State Code 10-6-117 on positive fund balances and net assets.

**3. Expenditures In Excess Of Budget**

Finding

During our audit we noted that the following funds or departments had expenditures in excess of their budgeted appropriations in the amounts noted. The General Fund Nondepartmental department and the Bond Fees or \$8,950 and \$22,311 respectively. The Fitness Center, E Center Fund, and the Grants Fund of \$22,583, \$461,484 and \$79,124 respectively. The Utah State Code 10-6 states, "Officers and employees of the entity shall not incur expenditures or encumbrances in excess of the total appropriations for any department or fund." A similar finding was noted in the prior year's audit report.

Recommendation

We recommend the City closely monitor expenditures in all departments and funds to ensure compliance with Utah State Code.



## WEST VALLEY CITY

Unity . Pride . Progress

### RESPONSES TO STATE LEGAL COMPLIANCE FINDINGS FOR YEAR ENDED JUNE 30, 2009

Finding:

Justice Court monthly surcharge accumulations should be remitted to the State of Utah by the 10th of the following month. For one of twelve months the required report and surcharge collections were not remitted by the 10th of the following month. A similar finding was noted in the prior year's audit report.

Response:

The City recognizes and acknowledges the need to follow state law concerning the Justice Court remittances and serious efforts are made on a monthly basis to remit the payments in a timely manner. During the 2009 fiscal year the City was in compliance on eleven of twelve monthly payments, matching the previous year's results. The City's efforts to comply fully with the state law are reflected in the continuing level of compliance. An ongoing effort is being made to expedite the processing and remittance of monthly Justice Court surcharge accumulations in a timely manner. Staff members involved in the flow and processing of information required for preparation of the payments are being reminded of the importance of timely transmittal of reports and surcharge remittances. The City's Finance Department staff are requesting that the Justice Court provide reports and surcharge remittances promptly at the end of each month to allow time for processing and transmittal to the State of Utah in a timely manner.

Finding:

The City had negative fund balances for the following funds: Fitness Center Fund, E Center Fund, Cultural Center Fund, Stonebridge Golf Course Fund, and Ambulance Fund. State Code requires a positive fund balance in all funds. A similar finding was noted in the prior year's audit report.

Response:

The unfavorable State and local economic environment has made it difficult to maintain adequate levels of funding, either through operations or through transfers from the City's general fund, for the funds reported. The City is reviewing operations, including fee structures and other revenue sources, as well as cutting operating costs wherever possible without impairing these facilities' ability to serve the public. The Fitness Center and Stonebridge Golf Course funds reported positive net changes in fund balance for fiscal year 2009, indicating that the City's efforts to streamline operations while providing assistance through transfers from the General Fund are having a positive effect. Stonebridge Golf Course's net assets increased by \$277,538, or almost 20% of the previous negative balance. The Ambulance Fund's negative change in net assets was a result of a reclassification of operating receivables and resulting writedown of revenues; the formula used to calculate the Ambulance fund's allowance for bad debt has been adjusted, which should eliminate or reduce the need for similar future adjustments. It is anticipated that the fund will return to a positive net asset position within two to three years. The City provided general fund transfers to all of the funds listed in the above finding during the year to reduce deficit fund balances, and will attempt to maintain these transfers at a sufficient level to reduce and ultimately eliminate the existing negative fund balances over the next four to five years. However, it must be noted that given the current budget shortfalls occurring statewide, the City's first priority is maintaining its general fund and core operations; these transfers will be provided based on overall availability of funds.

Finding:

The following funds or departments had expenditures in excess of budgeted appropriations: General Fund's Nondepartmental department and Bond Fees line item; Fitness Center Fund, E Center Fund, and Grants Fund.

Response:

General Fund nondepartmental expenditures included a year end accrual in excess of the annual appropriation; the budget for bond fees was included in a separate line item in Debt Service. Fitness Center Fund year end maintenance expenditures exceeded budgeted appropriations. The E Center Fund incurred event-related expenditures higher than anticipated. Grants Fund recorded several year-end adjustments after the budget amendment deadline had passed. City staff and management will monitor department expenditures, especially as yearend approaches, and limit year end expenditures; also, an effort will be made to recognize and anticipate potential budget impacts of events that occur during the year. More accurate and timely forecasting of E Center events and their related costs will be obtained from the management group contracted to operated the Center.

## WEST VALLEY CITY SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

### 2008 #1 Misstatements in the Financial Statements (Material Weakness)

#### Finding

During our audit we identified material misstatements in the financial statements that were not identified by the City's internal control. The controls in place were not sufficient to detect or prevent material misstatements in the following areas:

- C. *General Fund* - Debt principal payments were understated by \$556,000 due to miss-posting payments to interest expense. Interest expense and interest revenue were understated by \$287,421 due to not recording the interest paid out of escrow account earnings. Property tax receivable and a payable to the County were both overstated by \$353,578 due to not recording revenues received through the County reducing the debt. Infrastructure assets were understated by \$9,660,671 due to the City not updating the estimated values used in calculating the value of right of ways received as contributions during the year.
- D. *Sanitation Fund* - Revenues for garbage collections were understated by \$151,983 this was miscoded to storm drain revenues.
- E. *Building Authority Fund* - Accounts payable were understated by \$88,724 due to miss-posting a bond interest payment. Interest expense was over stated by \$114,362 due to various miss-postings. Principal payments and interest expense were understated by \$600,000 and \$125,735 respectively due to miss-posting of a debt payment.
- F. *Grants Fund* - Expenditures and revenues were overstated by \$43,903 due to recording revenues twice. Accounts payable was overstated by \$65,622 due to not clearing the balance as amounts were paid during the year.
- F. *Housing Authority Fund* - Fund balance was understated by \$103,021 due to various miss-postings. Accounts receivable was understated by \$21,513 due to various miss-postings. Revenues were overstated by \$668,665 due to recording revenues which have not been earned and will be reclaimed by the grantor. Revenues were overstated by \$34,915 due to recording revenues which had already been recorded in the grants funds.
- G. *West Ridge and Stonebridge Golf Course Funds* - Fixed assets were understated by \$69,790 and \$19,540, respectively, due to expensing items which should have been capitalized.
- H. *Stonebridge Golf Course Fund* - Fixed assets were overstated by \$317,075 due to not removing equipment which had been sold. Interest expense and accrued interest were overstated by \$647,595 and \$215,865, respectively, due to a miscalculation.
- I. *Ambulance Fund* - The amount owed on a capital lease was overstated by \$285,956 due to the City posting the payment as an expense rather than reducing the debt amount. Receivable was understated by \$44,225 due to miss-posting of revenues.

During the audit the above misstatements were corrected and are properly presented in the financial statements.

#### Recommendation

We recommend that the City implement internal control procedures to prevent or detect the material misstatements noted above.

#### Current Status

The City appears to have resolved each of these issues.

## **WEST VALLEY CITY SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

### **2008 #2 Housing Authority - Fund 26: General Accounting Failure (Material Weakness)**

#### Finding:

We noted that when the trial balance for the Housing Authority Fund was given to the auditors, the fund equity did not agree with the prior year's audit report, as it should (see B.1.E). We also noted that accounts receivable was not correct (see B.1.E). With further analysis we noted that the fund had recorded a material amount of revenue which had not been earned (see B.1.E). We also noted that revenues had been posted to this fund which had also been posted to grants fund (see B.1.E). Each of these errors constitutes a material misstatement.

Based on the number of misstatements and the material amounts involved and the small size of the fund involved, we are concerned that the accounting records related to this fund will provide meaningful information to the City's management during the year. The combination of these findings, lead us to believe that the accountant responsible for this fund does not have the basic accounting skills which are needed to account for all areas of this fund. The City also does not have monitoring internal controls in place to review the work of the Housing Authority accountant to correct any errors.

#### Recommendation:

We recommend that the City use whatever methods are needed to ensure that the accountant responsible for the Housing Authority Fund have the basic accounting skills which are needed to account for this fund.

#### Current Status

The City appears to have resolved each of these issues.

### **2008 #3 Housing Authority - Prepaids (Significant Deficiency)**

#### Finding

While auditing the Housing Authority, we noted that the journal entry to remove negative cash from various programs was not entered properly, the balance in Prepaids (an asset account) showed the City owed money, and certain operating revenues had been recorded twice. The financial statements did not properly reflect the financial position of the Housing Authority until after the audit adjustments were made. It appears that two new accounting software systems (one at the housing authority and one for the City) caused confusion when converting accounts between systems. It also appears that the employee recording these transactions into the City's accounting software did not properly record the journal entry to remove negative cash and may not understand that a prepaid account is an asset account and should have a debit balance. The City also does not have monitoring internal controls in place to review the work of the Housing Authority accountant to detect or correct these errors.

#### Recommendation

We recommend that the City more closely monitor employees' work and perform comparison of financial statements to prior years.

#### Current Status

The City appears to have resolved each of these issues.

## **WEST VALLEY CITY SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

### **2008 #4 E-Center – Segregation of Duties – Cash (Significant Deficiency)**

#### Finding

We learned during our audit that after checks are received, the E-Center Controller posts them to the accounting records and performs the bank reconciliation. So, the Controller has access to the asset (cash), access to the accounting records, and he reconciles the accounting records to the bank statement. This situation does not provide proper internal controls over checks received.

#### Recommendation

We recommend that someone beside the E-Center Controller, such as one of his assistants, enter all of the cash or checks received from the mail on a spreadsheet before it is given to the Controller. Then the E-Center Controller can post the revenue to the accounting records. When he gives the Assistant the money to deposit, she can compare it to her spreadsheet and make sure she deposits the amount that came in the mail. Then the controller would perform the bank reconciliation.

#### Current Status

The City has not resolved this issue, a similar finding was noted in the current year.

### **2008 #5 E-Center – Segregation of Duties – Accounts Payable (Significant Deficiency)**

#### Finding

During our audit we noted that after checks have been signed, they are given back to the accounts payable clerk for mailing. The accounts payable clerk then has custody of an assets (signed check) and access to the related accounting records. This gives the accounts payable clerk the opportunity to alter the check by entering a different payee or amount. Since the accounts payable clerk also has access to the accounting records, they would be able to cover the discrepancy in the accounting records.

#### Recommendation

We recommend that someone other than the accounts payable clerk mail the signed checks.

#### Current Status

The City appears to have resolved each of these issues.

**WEST VALLEY CITY**  
**SCHEDULE OF IMPACT FEES RECEIVED AND EXPENDED**  
**For The Year Ended June 30, 2009**

Revenues on Hand

| Projects From Which Fees Were Collected              | Date Received | Roads    | Parks   | Fire     | Police    | Flood Control | Total     |
|--|---------------|----------|---------|----------|-----------|---------------|-----------|
| Unexpended fees received fiscal year 2003            |               |          |         | \$51,736 | \$235,347 |               | \$287,083 |
| Unexpended fees received fiscal year 2004            |               |          |         | 91,047   | 55,847    |               | 146,894   |
| Unexpended fees received fiscal year 2005            |               |          | \$215   | 47,858   | 26,188    |               | 74,261    |
| Ivory Homes - Westridge Estates                      | FY06          |          | 86,468  | 4,096    | 2,795     |               | 93,359    |
| Ivory Homes - Valley Fields                          | FY06          |          | 59,566  | 3,328    | 2,236     |               | 65,130    |
| Americraft Homes - Vistas at Westridge               | FY06          |          | 55,926  | 3,072    | 2,064     |               | 61,062    |
| Blueridge Homes - Red Oaks Village                   | FY06          |          | 39,547  | 3,124    | 2,059     |               | 44,730    |
| Perry Homes - Diamond Summit                         | FY06          |          | 30,254  |          |           |               | 30,254    |
| Bangerter Homes - Meadow Breeze                      | FY06          |          | 22,910  |          |           |               | 22,910    |
| Toombs Inc - Village Condos                          | FY06          |          | 22,280  |          |           |               | 22,280    |
| Gough Construction - Paynter Estates                 | FY06          |          | 13,778  |          |           |               | 13,778    |
| Liberty Homes - Vistas at West Ridge                 | FY06          |          | 13,746  |          |           |               | 13,746    |
| Ivory Homes - Stonebrook                             | FY06          |          | 10,513  |          |           |               | 10,513    |
| Halstead Const - Dancing Moose-Montessori School     | FY06          |          |         | 9,338    | 6,214     |               | 15,552    |
| Camco Construction - Kenworth                        | FY06          |          |         | 8,728    | 5,776     |               | 14,504    |
| Ralph Wadsworth Const - Spillman Technology Bldg     | FY06          |          |         | 7,697    | 5,103     |               | 12,800    |
| Hansen Construction - Lighthouse Plaza               | FY06          |          |         | 2,762    | 1,847     |               | 4,609     |
| Continental Engineering - Hexcel Fibers Mfg Facility | FY06          |          |         | 2,181    | 1,426     |               | 3,607     |
| Enteilen Design-Build - EVCO House of Hose           | FY06          |          |         | 2,063    | 1,358     |               | 3,421     |
| Total Unused Balance for FY2006                      |               |          | 354,988 | 46,389   | 30,878    | -             | 432,255   |
| Ivory Homes - Valley Fields                          | FY07          |          | 104,956 | 6,214    | 4,418     |               | 115,588   |
| Trophy Homes - Gates at Kingspointe                  | FY07          |          | 67,464  | 4,464    | 3,240     |               | 75,168    |
| Liberty Homes - Vistas at West Ridge                 | FY07          |          | 63,526  | 3,430    | 2,392     |               | 69,348    |
| Ivory Homes - Westridge Estates                      | FY07          |          | 48,335  | 2,618    | 1,827     |               | 52,780    |
| Americraft Homes - Vistas at Westridge               | FY07          |          | 42,811  |          |           |               | 42,811    |
| Perry Homes - Diamond Summit                         | FY07          |          | 20,715  |          |           |               | 20,715    |
| Reliance Homes - Hunter Willows                      | FY07          |          | 19,334  |          |           |               | 19,334    |
| J Ballard Homes - Vistas at Westridge                | FY07          |          | 19,334  |          |           |               | 19,334    |
| Hallmark Homes and Dev - Westridge Village           | FY07          |          | 19,334  |          |           |               | 19,334    |
| Hallmark Homes and Dev - Valley Fields               | FY07          |          | 19,334  |          |           |               | 19,334    |
| Layton Companies - Newspaper Agency Corp             | FY07          |          |         | 20,949   | 13,792    | \$55,879      | 90,620    |
| Robinson Const - Costco                              | FY07          |          |         | 19,246   | 14,805    |               | 34,051    |
| Pentaton Const - Liberty Commons Bldg                | FY07          |          |         | 9,196    | 6,061     |               | 15,257    |
| Jacobsen Const - Deseret Industries                  | FY07          |          |         | 7,159    | 4,789     |               | 11,948    |
| Camco Const - USANA Health Services                  | FY07          |          |         | 6,968    | 4,620     |               | 11,588    |
| Continental Engineering - Hexcel                     | FY07          |          |         | 4,616    | 3,179     |               | 7,795     |
| Total Unused Balance for FY2007                      |               |          | 425,143 | 84,860   | 59,123    | 55,879        | 625,005   |
| Ivory Homes - Highbury Commons                       | FY08          | \$53,864 | 114,469 | 6,210    | 4,506     |               | 179,049   |
| Quest Development - Staybridge Suites                | FY08          | 48,403   |         | 9,797    | 7,081     |               | 65,281    |
| Quest Development - Holiday Inn Express              | FY08          | 46,906   |         | 9,494    | 6,862     |               | 63,262    |
| Camco Const - USANA Health Services                  | FY08          | 32,959   |         |          | 2,068     |               | 35,027    |
| Garbett homes - Arbor Square                         | FY08          | 32,896   | 59,968  | 3,596    | 2,880     |               | 99,340    |
| E K Bailey Construction - Wells Fargo Bank           | FY08          | 30,998   |         | 2,328    |           |               | 33,326    |
| Amsource Highbury - Highbury Shoppes                 | FY08          | 28,066   |         | 4,466    | 3,231     |               | 35,763    |
| R & O Construction - Valley Fair retail pods         | FY08          | 25,040   |         | 4,597    | 2,788     |               | 32,425    |
| Liberty Homes - Vistas at West Ridge                 | FY08          |          | 18,604  |          |           |               | 18,604    |
| Ivory Homes - Valley Fields                          | FY08          |          | 13,810  |          |           |               | 13,810    |
| Trophy Homes - Gates at Kingspointe                  | FY08          |          | 11,244  |          |           |               | 11,244    |
| Ivory Homes - Westridge Estates                      | FY08          |          | 9,667   |          |           | 13,519        | 23,186    |
| Moore Homes LC - Hunter Village                      | FY08          |          | 6,905   |          |           |               | 6,905     |
| Adair Construction - Cragun Estates                  | FY08          |          | 6,096   |          |           |               | 6,096     |
| Hamlet Homes Corp - Millburn Manor                   | FY08          |          | 5,524   |          |           |               | 5,524     |
| Reliance Homes - Hunter Willows                      | FY08          |          | 5,445   |          |           |               | 5,445     |
| Camco Const - Cordale Electric                       | FY08          |          |         | 12,201   | 8,757     |               | 20,958    |
| Horne Construction - Shops at Lake Park              | FY08          |          |         | 2,383    | 1,724     |               | 4,107     |
| Stout Building Contractors - Great Western Supply    | FY08          |          |         | 1,900    |           |               | 1,900     |
| Interwest Construction - Cyprus Credit Union         | FY08          |          |         |          | 8,731     |               | 8,731     |
| Holt Properties LLC - 5211 W. 4200 S.                | FY08          |          |         |          |           | 21,943        | 21,943    |
| Ivory Homes - Highbury Phase 1                       | FY08          |          |         |          |           | 11,858        | 11,858    |
| Ivory Homes - Highbury Phase 2                       | FY08          |          |         |          |           | 11,907        | 11,907    |



**WEST VALLEY CITY**  
**SCHEDULE OF IMPACT FEES RECEIVED AND EXPENDED**  
**For The Year Ended June 30, 2009**

Revenues on Hand

| Projects From Which Fees Were Collected              | Date Received | Roads   | Parks   | Fire   | Police | Flood Control | Total       |
|--|---------------|---------|---------|--------|--------|---------------|-------------|
| TruckPro   | FY08          |         |         |        |        | 8,505         | 8,505       |
| Highbury Parkway                                     | FY08          |         |         |        |        | 7,944         | 7,944       |
| Center Pointe Development LLC - Center Pointe Hol    | FY08          |         |         |        |        | 6,930         | 6,930       |
| Ivory Homes - Highbury Phase 4                       | FY08          |         |         |        |        | 6,787         | 6,787       |
| Ivory Homes - Highbury Estates                       | FY08          |         |         |        |        | 4,287         | 4,287       |
| Bushnell Construction - Madisyn Cove Subdivision     | FY08          |         |         |        |        | 4,188         | 4,188       |
| Total Unused Balance for FY2008                      |               | 299,132 | 251,732 | 56,972 | 48,628 | 97,868        | 754,332     |
| Adair Construction - Cragun Estates                  | FY09          | 1,692   | 4,064   | 182    | 132    |               | 6,070       |
| Arbor Homes Inc - Sunset Hills                       | FY09          | 846     | 2,032   | 91     | 66     |               | 3,035       |
| Arnell-West inc - Value Place Hotel                  | FY09          | 60,379  |         | 12,221 | 8,833  | 596           | 82,029      |
| Arrowstar Commercial, L.C. - Office/Training Bldg    | FY09          | 10,250  |         | 625    | 500    | 293           | 11,668      |
| Big-D Construction - Bag House addition              | FY09          | 738     |         | 45     | 36     |               | 819         |
| Borehamwood Inc - Sylex Concrete                     | FY09          | 2,382   |         | 232    | 170    | 1,805         | 4,589       |
| Built in the USA Construction Group - Medallion Squ  | FY09          | 14,705  |         | 2,208  | 1,561  | 261           | 18,735      |
| Celebrity Builders Inc - August Farms lot 13         | FY09          | 846     | 2,032   | 91     | 66     |               | 3,035       |
| Commercial Design & Const - D&G Scale warehouse      | FY09          | 5,312   |         | 531    | 398    |               | 6,241       |
| Continental Engineering & Const - Hexcel Fiberline E | FY09          | 92,129  |         | 5,617  | 4,494  |               | 102,240     |
| D-Electric Inc - Dory Harris lot 1                   | FY09          | 846     | 2,032   | 91     | 66     |               | 3,035       |
| Engineered Structures Inc - WINCO Foods              | FY09          | 137,973 |         | 16,027 | 11,609 |               | 165,609     |
| First Home Inc - Center Pointe Hollow Bldg 7         | FY09          | 1,542   | 4,137   | 186    | 135    |               | 6,000       |
| Gough Construction LLC - Southridge                  | FY09          | 5,076   | 12,192  | 546    | 396    |               | 18,210      |
| Haley Construction Inc - Olive Garden                | FY09          | 11,385  |         | 2,828  | 2,083  |               | 16,296      |
| Hallmark Homes & Development - Southridge            | FY09          | 9,306   | 22,352  | 1,001  | 726    |               | 33,385      |
| Hallmark Homes & Development - Westridge Village     | FY09          | 5,076   | 11,541  | 546    | 396    |               | 17,559      |
| Hamlet Homes Corp - Millburn Manor                   | FY09          | 8,460   | 20,320  | 910    | 660    |               | 30,350      |
| Harry Christiansen - Vistas at Westridge #2          | FY09          | 846     | 1,381   | 91     | 66     |               | 2,384       |
| Howell Steel Buildings Inc - ACE Disposal            | FY09          | 3,260   |         | 200    | 144    |               | 3,604       |
| Hughes General Contractors Inc - Wheeler Machine     | FY09          | 4,202   |         | 256    | 205    |               | 4,663       |
| Ivory Homes Ltd - Highbury Commons/Highbury Plac     | FY09          | 39,172  | 99,864  | 4,484  | 3,252  | 5,239         | 152,011     |
| Ivory Homes Ltd - Westridge Estates                  | FY09          | 5,076   | 12,192  | 546    | 396    |               | 18,210      |
| Ivory Homes Ltd - Valley Fields                      | FY09          | 7,614   | 18,288  | 819    | 594    |               | 27,315      |
| Jacobsen Construction Co - AGC of Utah Headquart     | FY09          | 11,205  |         | 999    | 720    | 5,288         | 18,212      |
| Jeffery Brooks - Vistas at Westridge Ph 5            | FY09          | 846     | 2,032   | 91     | 66     |               | 3,035       |
| Kendrick Brothers Construction Co - Koch Leasing     | FY09          | 4,279   |         | 262    | 189    |               | 4,730       |
| Kier Construction Corp - Kelly Benson Apts           | FY09          | 30,326  | 26,554  | 3,658  | 2,655  |               | 63,193      |
| Knight Brothers Construction Co - Alpha Graphics     | FY09          | 1,698   |         | 149    | 106    |               | 1,953       |
| KS Building Enterprises - Colt Carwash               | FY09          | 4,218   |         | 257    | 206    |               | 4,681       |
| Layton Construction Co - Quartzdyne Mfg Facility     | FY09          | 48,720  |         | 3,545  | 2,700  |               | 54,965      |
| Legacy Custom Homes LLC - Sunset Hills               | FY09          | 3,384   | 8,128   | 364    | 264    |               | 12,140      |
| Liberty Homes Inc - Vistas at Westridge              | FY09          | 3,384   | 8,128   | 364    | 264    |               | 12,140      |
| Midgley Construction Inc - Ace Disposal              | FY09          | 48,061  |         | 3,645  | 2,747  | 5,538         | 59,991      |
| Miller Development Co - The Edge at Decker Lake      | FY09          | 156,256 | 419,216 | 18,848 | 13,680 |               | 608,000     |
| Moore Homes L.C. - Hunter Village                    | FY09          | 9,306   | 17,716  | 1,001  | 726    |               | 28,749      |
| Nordhoff Construction - Industrial Piping Products   | FY09          | 1,800   |         | 157    | 113    |               | 2,070       |
| Perry Homes - Diamond Summit                         | FY09          | 1,692   | 4,064   | 182    | 132    |               | 6,070       |
| R & O Construction - Friday's Restaurant             | FY09          | 8,921   |         | 2,235  | 1,615  |               | 12,771      |
| R & O Construction - Veterans Affairs Outpatient Cli | FY09          | 7,241   |         | 637    | 463    |               | 8,341       |
| Randy & Michele Tousley - Tousley 6-plex             | FY09          | 3,084   | 8,274   | 372    | 270    | 850           | 12,850      |
| Reliance Homes Inc - Hunter Willows                  | FY09          | 2,538   | 6,096   | 273    | 330    |               | 9,237       |
| Reliance Homes Inc - Vistas at Westridge             | FY09          | 4,230   | 10,160  | 455    | 198    |               | 15,043      |
| Salmon Electrical Contractors - AAA West Valley Str  | FY09          | 17,485  | 2,032   | 547    | 96     | 8,774         | 28,934      |
| Salt Lake Community College - Beagley Estates        | FY09          | 2,538   | 5,445   | 273    | 198    |               | 8,454       |
| Stanley Inc - La Herradura de Oro                    | FY09          | 4,690   |         | 560    | 385    |               | 5,635       |
| Steve & Johnnie Mae Judge - lots 41, 42 Chesterfiel  | FY09          | 846     | 2,032   | 91     | 66     | 502           | 3,537       |
| Stout Building Contractors LLC - Office/warehouse    | FY09          | 9,687   |         | 895    | 659    | 410           | 11,651      |
| Bangerter Acres                                      | FY09          |         |         |        |        | 2,926         | 2,926       |
| Commerce Center Subdivision No. 1                    | FY09          |         |         |        |        | 16,313        | 16,313      |
| Diamond Summit Elementary School                     | FY09          |         |         |        |        | 21,098        | 21,098      |
| West Valley Pavilion                                 | FY09          |         |         |        |        | 58,854        | 58,854      |
| Reunion Woods P.U.D.                                 | FY09          |         |         |        |        | 7,127         | 7,127       |
| Galicia Subdivision                                  | FY09          |         |         |        |        | 82            | 82          |
| Interest earned                                      | FY09          |         |         |        |        |               |             |
| Total Collected for FY2009                           |               | 7,796   | -       | 2,933  | 1,801  | 2,080         | 14,610      |
| Total Impact Fees on Hand as of June 30, 2009        |               | 823,344 | 732,304 | 93,167 | 67,633 | 138,036       | 1,854,484   |
|  |               |         |         |        |        |               | \$4,174,314 |

**WEST VALLEY CITY**  
**SCHEDULE OF IMPACT FEES RECEIVED AND EXPENDED**  
**For The Year Ended June 30, 2009**

Projected Expenditures of Impact Fees on Hand

|   | FY2009             | FY2010             | FY2011           | FY2012          | FY2013      | FY2014      | Impact Fees<br>by Project |
|---|--------------------|--------------------|------------------|-----------------|-------------|-------------|---------------------------|
| <b>Roads:</b>   |                    |                    |                  |                 |             |             |                           |
| General professional & technical services                       | \$60,000           | \$60,000           |                  |                 |             |             | \$120,000                 |
| In-N-Out Burger - Valley Fair Mall                              | 2,300              | 24,000             |                  |                 |             |             | 26,300                    |
| Hunter 8th & 16th Ward Bldg project                             | 65,180             |                    |                  |                 |             |             | 65,180                    |
| Hunter Village subdivision                                      | 45,250             |                    |                  |                 |             |             | 45,250                    |
| Bangerter Acres subdivision                                     | 15,152             |                    |                  |                 |             |             | 15,152                    |
| West Valley Pavilion subdivision                                | 158,715            | 79,554             |                  |                 |             |             | 238,269                   |
| 3800 S. widening - 2700-2700 W.                                 | 7,175              |                    |                  |                 |             |             | 7,175                     |
| 6200 S. Extension project                                       | 9,750              |                    |                  |                 |             |             | 9,750                     |
| 5200 W. widening  | 29,750             |                    |                  |                 |             |             | 29,750                    |
| Lake Park Blvd extension phase II                               |                    | 150,000            |                  |                 |             |             | 150,000                   |
| 5400 W. sidewalk project  |                    | 5,350              |                  |                 |             |             | 5,350                     |
| 6200 S. Extension project                                       |                    | 6,300              |                  |                 |             |             | 6,300                     |
| 5200 W. widening  |                    | 404,000            |                  |                 |             |             | 404,000                   |
| <b>Parks:</b>   |                    |                    |                  |                 |             |             |                           |
| Lodestone Park  | 200,000            |                    |                  |                 |             |             | 200,000                   |
| Terrace Ridge Park project                                      | 277,951            |                    |                  |                 |             |             | 277,951                   |
| 5600 W. power line relocation - Centennial Park                 | 11,526             |                    |                  |                 |             |             | 11,526                    |
| City Park play structures                                       | 45,812             |                    |                  |                 |             |             | 45,812                    |
| Centennial Park - 5600 W. access                                | 76,730             |                    |                  |                 |             |             | 76,730                    |
| Cross Town Trail  | 3,885              |                    |                  |                 |             |             | 3,885                     |
| Hunter Village  |                    | 613,478            |                  |                 |             |             | 613,478                   |
| Park in the Vistas  |                    | 450,000            |                  |                 |             |             | 450,000                   |
| Centennial Park signs   |                    | 85,000             |                  |                 |             |             | 85,000                    |
| <b>Fire:</b>  |                    |                    |                  |                 |             |             |                           |
| Fire station debt service                                       | 36,500             | 199,515            | 199,514          | \$36,500        |             |             | 472,029                   |
| <b>Police:</b>  |                    |                    |                  |                 |             |             |                           |
| Police station debt service                                     | 30,000             | 231,822            | 231,822          | 30,000          |             |             | 523,644                   |
| <b>Flood Control:</b>   |                    |                    |                  |                 |             |             |                           |
| Jordan Meadows  | 9,020              | 9,021              |                  |                 |             |             | 18,041                    |
| Lexington Park development                                      | 6,503              | 2,181              |                  |                 |             |             | 8,684                     |
| Wal Mart drainage   | 1,139              |                    |                  |                 |             |             | 1,139                     |
| Courtney Meadows  | 837                |                    |                  |                 |             |             | 837                       |
| Rushton Lane subdivision  | 1,811              |                    |                  |                 |             |             | 1,811                     |
| Villages at Stonegate   | 2,184              |                    |                  |                 |             |             | 2,184                     |
| Riter Canal Detention Basin                                     |                    | 108,858            |                  |                 |             |             | 108,858                   |
| Lester St subdivision   |                    | 35,396             |                  |                 |             |             | 35,396                    |
| Alexander St ditch piping                                       |                    | 58,242             |                  |                 |             |             | 58,242                    |
| 5600 W. SD  |                    | 16,963             |                  |                 |             |             | 16,963                    |
| Riter Canal capacity study                                      | 7,685              | 31,943             |                  |                 |             |             | 39,628                    |
| Totals by Fiscal Year   | <u>\$1,104,855</u> | <u>\$2,571,623</u> | <u>\$431,336</u> | <u>\$66,500</u> | <u>\$ -</u> | <u>\$ -</u> |                           |
| Total Impact Fees Projected for Expenditure as of June 30, 2009 |                    |                    |                  |                 |             |             | <u>\$4,174,314</u>        |

West Valley City  
Local Government

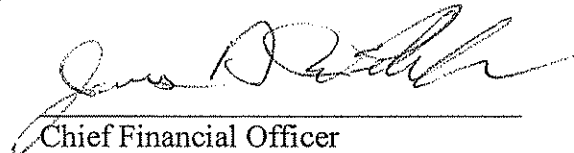
June 30, 2009  
Fiscal or Calendar Year Ending

## Certification of Impact Fee Report

In compliance with section 11-36-301, Utah Code, as amended, which states in effect:

"Each local political subdivision collecting impact fees shall: . . . establish a report that: (a) identifies impact fee funds by the year in which they were received, the project from which the funds were collected, the capital projects for which the funds were budgeted, and the projected schedule for expenditure; (b) is in a format developed by the state auditor; (c) is certified by the local political subdivision's chief financial officer; and (d) is transmitted annually to the state auditor."

I, the undersigned, certify that the attached impact fees report is a true, correct and complete copy of the report of impact fees on hand at fiscal/calendar year ending June 30, 2009 and their scheduled intended use.

  
\_\_\_\_\_  
Chief Financial Officer

West Valley City  
Local Government

